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1987

SUPPLEMENT TO THE FACT BOOK

STATISTICS AND MARKET DATA

CURRENT INFORMATION ABOUT DIRECT MARKETING AND DIRECT RESPONSE ADVERTISING

dma™
DIRECT
MARKETING
ASSOCIATION, INC.

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STATISTICS AND MARKET DATA

CURRENT INFORMATION ABOUT DIRECT MARKETING AND DIRECT RESPONSE ADVERTISING

DIRECT MARKETING ASSOCIATION, INC.
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The Direct Marketing Association, Inc., established in 1917, is the largest and oldest international trade association representing users, creators and suppliers of direct mail advertising and other direct marketing techniques. DMA's 5,698 members from 3,991 companies represent a cross section of business and are located in all 50 states and 35 other countries. Offices are located at 6 East 43rd Street, New York, New York 10017 and 1101 17th Street NW, Washington, D.C. 20036.

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HOW TO USE THE FACT BOOK'S STATISTICAL SUPPLEMENT

The Direct Marketing Association's 1987 Statistical Supplement offers a quantified view of the "state-of-the-art" in virtually all aspects of direct marketing.

Significantly, DMA is uniquely positioned to develop, acquire and compile direct marketing data which details the status and direction of direct response

- Advertising
- Media
- Lists/Databases
- Market Applications
- Practical Management Information.

The purpose of this statistical resource is to provide direct marketers easy access to authoritative data that will be helpful in making informed marketing decisions and media choices, in supporting proposed business and marketing strategies and in helping to make the most cost effective expenditure decisions. More than 320 charts and graphs:

- Highlight important media and market growth and usage trends by specific media and markets;
- Pin-point consumer and business attitudes and buying habits concerning direct marketing;
- Quantify and compare marketers' outlooks and expectations on key issues;and
- Provide valuable expenditure, production and operating cost figures.

The 1987 Supplement is designed to not only provide the latest direct marketing statistics; it also indicates how the numbers were derived. The book consists of five sections: Direct Response Advertising, Media, Lists/Databases, Markets and Basic Management Information. All primary research studies used and their sources are listed at the end of each of the book's five sections by title, sample and respondent size and type of methodology used. Other sources are recognized by citations within individual sections.

ACKNOWLEDGEMENTS

Acknowledgement is very much deserved by the many individuals and organizations who provided the information and data that makes this book a substantive resource. On an individual basis, each research study/compilation in this book deserves merit. Collectively, they paint a very valuable picture of the industry.

A very fine staff of DMA Information Specialists -- Nilda Castillo, Lisa Di Bartolomeo, Michelle Halpern and Michael Petsky -- identified researched and acquired the materials for this supplement. Michelle Halpern took on the formidable task of working the raw material into the format now before you. Kimberly Hunter and Sajira Figueroa played key support roles in making sure these materials were processed in an orderly fashion.

Recognition also goes to DMA's research staff Dana Englert, Dave Warhaftig and Tammie Anderson whose recent projects add much to the scope of research now available to direct marketers and are represented in this book.

In addition, special thanks goes to Joan Phillips for her editorial guidance and to Anna Pedreiro and Tiina Prio of DMA's production staff who supervised graphic production.

All have contributed a service to the direct marketing field and this data will no doubt have applications to all the direct marketers and other users of this year's supplement.

Ann E. Zeller
Project Director &
Director, Information Central & Publications
DMA

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DIRECT MARKETING ASSOCIATION REPORT ON 1985 AND 1986 INDUSTRY STATISTICS

The Direct Marketing Association has completed its second annual industry statistics survey. This project, directed by DMA's Task Force on Industry Statistics, managed by DMA's research department and conducted by Arthur Andersen & Co., represents an ongoing effort to gather information to describe and quantify the direct marketing field.

The value of the survey lies in its importance to DMA's membership. Individual companies can compare their results to survey statistics. The survey also supports DMA's government affairs and public relations activities on behalf of members and the industry.

These top line findings cover calendar years 1985 and 1986, as reported by DMA members who are "for profit, non-financial" direct marketers. (Financial services and insurance companies within DMA will be surveyed separately.) Some of the data is analyzed among "repeat responders," those submitting data for both years. This analysis is important because it shows trend data from year to year.

Arthur Anderson & Co. carefully protects the confidentiality of survey respondents. Only summarized data is available; individual responses are not available to any outside parties, including DMA staff. Where detailed inspection might abridge the confidentiality of an individual firm's response, that area of analysis is not made public. Therefore, there are a few instances where certain portions of tables are left blank.

DMA INDUSTRY STATISTICS "FOR PROFIT" DMA MEMBER COMPANIES EXCLUDING FINANCIAL SERVICES

Response rate: **32%** (1985)
36% (1986)

Total sample: **1196** companies (1985)
1173 companies (1986)

High response was received from member companies with estimated sales of $100 million and more; response rate: **67%** (1985) and **72%** (1986).

FINDINGS—DIRECT MARKETING SALES for the purpose of this survey are: sales resulting from a transaction that both 1) originated when the individual responded to a direct response advertisement and 2) was conducted by telephone or mail.

Total projected sales volume: **$32.1 billion** (1985); **$33.9** billion (1986)
Total reported sales: **$16.2** billion (1985); **$20.9** billion (1986)

*The following data is based on total *reported sales* and is not projectable to the entire membership category.

SALES VOLUME BROKEN DOWN BY

SALES GROUP

72% (1985); **76%** (1986) $100 Million plus
19% (1985); **16%** (1986) $20–$100 Million
7% (1985); **6%** (1986) $5–$20 Million
2% (1985); **2%** (1986) $1–$5 Million
<1% (1985); **<1%** (1986) $1 Million and less

Repeat Responders (1985 & 1986)[1]

(Percent Change)

12%	$100 Million Plus
8%	$20–$100 Million
21%	$5–$20 Million
27%	$1–5 Million
101%	$1 Million and less

COMPANY TYPE

49% (1985); **43%** (1986) Mail Order
28% (1985); **39%** (1986) Retail
12% (1985); **11%** (1986) Publishing
8% (1985); **2%** (1986) Manufacturing
2% (1985); **1%** (1986) Wholesaling
* (1985); **3%** (1986) Services
1% (1985); **4%** (1986) Other

Repeat Responders (1985 & 1986)[1]

(Percent Change)

15%	Mail Order
13%	Retail
− 1%	Publishing
−14%	Manufacturing
33%	Wholesaling
+	Other

Repeat Responders Average Growth = 12%

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[1] Base = 209 companies who responded both years, contributing 1985 and 1986 data
+ Insufficient data
* Data not collected in 1985

SALES VOLUME BROKEN DOWN BY

MARKET[2]

83% (1985);	**88%** (1986)	Consumer
14% (1985);	**8%** (1986)	Business
3% (1985);	**4%** (1986)	Mixed

BUSINESS PRODUCT CATEGORIES

25% (1985);	**7%** (1986)	Computer Hardware/Software
17% (1985);	**22%** (1986)	Office Supplies
19% (1985);	**10%** (1986)	Books
16% (1985);	**14%** (1986)	Computer Supplies
14% (1985);	**10%** (1986)	Office Furnishings
3% (1985);	**6%** (1986)	Periodicals
3% (1985);	**3%** (1986)	Raw Materials
2% (1985);	**5%** (1986)	Professional Services
1% (1985);	**<1%** (1986)	Entertainment/Recreation
1% (1985);	**5%** (1986)	Machinery/Equipment
<1% (1985);	**3%** (1986)	Food/Beverages
<1% (1985);	**2%** (1986)	Educational
<1% (1985);	**2%** (1986)	Records/Tapes
* (1985);	**8%** (1986)	Specialty Business Supplies
9% (1985);	**2%** (1986)	Other

CONSUMER PRODUCT CATEGORIES

29% (1985);	**30%** (1986)	Apparel (including jewelry and accessories)
19% (1985);	**23%** (1986)	Home Furnishings
11% (1985);	**7%** (1986)	Periodicals
11% (1985);	**10%** (1986)	Large and Small Appliances
6% (1985);	**7%** (1986)	Books
4% (1985);	**4%** (1986)	Gardening
4% (1985);	**2%** (1986)	Records/Tapes
3% (1985);	**4%** (1986)	Sporting Goods
3% (1985);	**1%** (1986)	Personal Products
2% (1985);	**2%** (1986)	Entertainment/Recreation
2% (1985);	**2%** (1986)	Food/Beverages
1% (1985);	**2%** (1986)	Services
1% (1985);	**4%** (1986)	Collectibles
4% (1985);	**3%** (1986)	Other

[2] 80% of sales or more needed to qualify in the consumer or business category

*Data not broken out 1985; is grouped in Other category

FINDINGS—DIRECT RESPONSE ADVERTISING for the purpose of this survey is: any paid advertising where the intention of the advertisement was to solicit a direct response (whether an inquiry or sale) by including a response device (e.g., telephone number, inquiry/order form or ordering address).

Expenditures include: creative costs, design costs, photography, postage, printing, binding, lists, ad placement costs, and talent costs.[3]

Total projected advertising expenditures:	**$4.8** billion (1985); **$5.4** billion (1986)
Total reported advertising expenditures:	**$2.4** billion (1985); **$3.3** billion (1986)

*The following data is based on total *reported advertising expenditures* and is not projectable to the entire membership category.

ADVERTISING EXPENDITURES BROKEN DOWN BY

SALES GROUP

62% (1985); **68%** (1986) $100 Million plus
25% (1985); **20%** (1986) $20–$100 Million
10% (1985); **9%** (1986) $5–$20 Million
3% (1985); **2%** (1986) $1–$5 Million
<1% (1985); **<1%** (1986) $1 Million and less

COMPANY TYPE

49% (1985); **52%** (1986) Mail Order
28% (1985); **20%** (1986) Retailing
** (1985); **22%** (1986) Publishing
8% (1985); **2%** (1986) Manufacturing
2% (1985); **<1%** (1986) Wholesaling
1% (1985); **3%** (1986) Other

MARKET[2]

88% (1985); **88%** (1986) Consumer
10% (1985); **8%** (1986) Business
2% (1985); **4%** (1986) Mixed

OBJECTIVE OF CONSUMER DM[4]

83% (1985); **88%** (1986) Sales
17% (1985); **12%** (1986) Lead/New Name Generation

OBJECTIVE OF BUSINESS DM[4]

67% (1985); **75%** (1986) Sales
33% (1985); **25%** (1986) Lead/New Name Generation

[2] 80% of sales or more needed to qualify in the consumer or business category

[3] Expenditures included outbound telephone marketing costs for 1986 but for 1985 telephone marketing costs were *not* included

[4] Criteria, in parenthesis, added for 1986 figures, but were not cited in 1985:
Sales (including prospect mailings that generate sales)
Lead/new name generation (where the intention is to generate a prospect or lead)

**Data inaccurate in 1985

ADVERTISING EXPENDITURES BROKEN DOWN BY

MEDIA TYPE

(1985 base = $2.3 billion)
(1986 base = $3.2 billion)

49% (1985);	**47%** (1986)	Catalog
40% (1985);	**41%** (1986)	Direct Mail (including brochures, card decks, bill statement enclosures, package inserts, etc.)
5% (1985);	**6%** (1986)	Magazines (space or inserts)
3% (1985);	**2%** (1986)	Newspapers (space or inserts)
2% (1985);	**4%** (1986)	Television (cable, network, local and interactive)
<1% (1985);	**<1%** (1986)	Radio
<1% (1985);	**<1%** (1986)	Other

TELEMARKETING VS. NON-TELEMARKETING MEDIA[5]

(1985 base = $2.4 billion)
(1986 base = $3.3 billion)

7% (1985);	**3%** (1986)	Telemarketing
93% (1985);	**97%** (1986)	Non-Telemarketing

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[5] In 1985 telemarketing included both inbound and outbound; in 1986 telemarketing included outbound only.

FINDINGS—ADVERTISING/SALES RATIOS indicates the percent of total gross sales spent on direct response advertising.[3]

Average ratio: **15%** (1985); **16%** (1986)

ADVERTISING/SALES RATIOS BY

SALES GROUP

13% (1985); **14%** (1986) $100 Million plus
20% (1985); **20%** (1986) $20–$100 Million
20% (1985); **23%** (1986) $5–$20 Million
27% (1985); **25%** (1986) $1–$5 Million
46% (1985); **26%** (1986) $1 Million and less

Repeat Responders (1985 & 1986)[1]

(Percent Change)

4%	$100 Million plus
−4%	$20–$100 Million
−2%	$5–20 Million
−1%	$1–$5 Million
−11%	$1 Million and less

COMPANY TYPE

20% (1985); **19%** (1986) Mail Order
10% (1985); **8%** (1986) Retailing
** (1985); **33%** (1986) Publishing
7% (1985); **16%** (1986) Manufacturing
9% (1985); **7%** (1986) Wholesaling
18% (1985); **12%** (1986) Other

Repeat Responders (1985 & 1986)[1]

(Percent Change)

1%	Mail Order
−1%	Retailing
**	Publishing
5%	Manufacturing
−3%	Wholesaling

CONSUMER MARKET[2]

17% (1985); **16%** (1986)

SALES GROUP

(1986 only)

14%	$100 Million plus
22%	$20–$100 Million
25%	$5–$20 Million
26%	$1–$5 Million
30%	$1 Million and less

TYPE OF COMPANY

(1986 only)

20%	Mail Order
8%	Retailing
41%	Publishing
11%	Manufacturing
+	Wholesaling
9%	Other

CONSUMER PRODUCT CATEGORIES[6]

(1986 only)

41%	Periodicals
21%	Books
19%	Home Furnishings
16%	Apparel (including jewelry and accessories)

[1] Base = 209 companies who responded both years, contributing 1985 and 1986 data
[2] 80% of sales or more needed to qualify in the consumer or business category
[3] Expenditures included outbound telephone marketing costs for 1986 but for 1985 telephone marketing costs were *not* included
[6] 50% of sales or more needed to qualify in a product category
**Data inaccurate in 1985
+Insufficient data

ADVERTISING/SALES RATIO BY

BUSINESS MARKET[2]

11% (1985); **15%** (1986)

SALES GROUP

(1986 only)

+	$100 Million plus
11%	$20–$100 Million
20%	$5–$20 Million
22%	$1–$5 Million
21%	$1 Million and less

TYPE OF COMPANY

(1986 only)

14%	Mail Order
+	Retailing
23%	Publishing
21%	Manufacturing
6%	Wholesaling
22%	Other

BUSINESS PRODUCT CATEGORIES[6]

(1986 only)

20%	Office Furniture
19%	Books
18%	Periodicals
12%	Office Supplies
6%	Computer Hardware/Software

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[2] 80% of sales or more needed to qualify in the consumer or business category

[6] 50% of sales or more needed to qualify in a product category

+Insufficient data

DIRECT RESPONSE ADVERTISING TRENDS

ESTIMATED 1985–1986 U.S. AD VOLUME

	1985	1986	Percent Change
	($ MILLIONS)	($ MILLIONS)	
NATIONAL			
NEWSPAPERS	3,352	3,376	+ 0.7
MAGAZINES	5,155	5,317	+ 3.1
NETWORK TV	8,285	8,570	+ 3.4
SPOT TV	6,004	6,570	+ 9.4
CABLE TV	637	752	+18.1
NETWORK RADIO	365	423	+16.0
SPOT RADIO	1,335	1,348	+ 1.0
OUTDOOR	610	600	− 1.5
DIRECT MAIL	15,500	17,145	+10.6
OTHER NATIONAL MEDIA	12,112	12,749	+ 5.3
TOTAL NATIONAL ADVERTISING	53,355	56,850	+ 6.6
LOCAL			
NEWSPAPERS	21,818	23,614	+ 8.2
LOCAL TV	5,714	6,514	+14.0
CABLE TV	130	179	+37.8
LOCAL RADIO	4,790	5,178	+ 8.1
OUTDOOR	335	385	+14.9
OTHER LOCAL MEDIA	8,608	9,420	+ 9.4
TOTAL LOCAL ADVERTISING	41,395	45,290	+ 9.4
TOTAL ALL ADVERTISING	94,750	102,140	+ 7.8

Source: Robert J. Coen, McCann–Erickson, Inc. 1987

MEDIA UNIT* COST TRENDS

(1967 = 100)

	1981	1982	1983	1984	1985**	1986**
NEWSPAPERS	279	308	336	366	395	423
MAGAZINES	201	219	237	256	276	291
NETWORK TV	329	365	394	445	476	505
SPOT TV	286	317	342	376	399	421
NETWORK RADIO	244	268	300	321	347	368
SPOT RADIO	215	232	248	273	289	305
OUTDOOR	303	330	363	396	428	456
DIRECT MAIL	263	286	290	282	302	314
COMPOSITE	270	297	318	342	367	389

*A unit in the various media listed includes a single black-and-white page for newspapers, a four-color ad for magazines, 30-second spots for network and spot TV, one-minute spots for network and spot radio, a 100 showing in outdoor (100 GRPs, which is the reach and frequency of x-amount of boards per day), and 25,000 pieces of direct mail.

**Estimated

Source: Robert J. Coen, McCann-Erickson, 1985

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1978–1986
(IN MILLIONS OF DOLLARS)

	1978	1979	1980	1981	1982	1983	1984	1985	1986
NEWSPAPERS									
TOTAL	12,214	13,863	14,794	16,528	17,694	20,582	23,522	25,170	26,990
NATIONAL	1,541	1,770	1,963	2,259	2,452	2,734	3,081	3,352	3,376
LOCAL	10,673	12,093	12,831	14,269	15,242	17,848	20,441	21,818	23,614
MAGAZINES	2,597	2,932	3,149	3,533	3,710	4,233	4,932	5,155	5,317
FARM PUBLICATIONS	104	120	130	146	148	163	181	186	192
TELEVISION									
TOTAL	8,955	10,154	11,474	12,847	14,706	16,789	19,900	20,770	22,585
NETWORK	3,975	4,599	5,130	5,575	6,210	7,017	8,526	8,285	8,570
SPOT	2,607	2,873	3,319	3,805	4,510	5,096	5,773	6,004	6,570
CABLE (NATIONAL)	—	—	50	105	195	303	466	637	752
LOCAL TV	2,373	2,682	2,967	3,345	3,759	4,323	5,055	5,714	6,514
CABLE (LOCAL)	—	—	8	17	32	50	80	130	179
RADIO									
TOTAL	3,052	3,310	3,702	4,230	4,670	5,210	5,813	6,490	6,949
NETWORK	147	161	183	230	255	296	316	365	423
SPOT	620	665	779	879	923	1,038	1,197	1,335	1,348
LOCAL	2,285	2,484	2,740	3,121	3,492	3,876	4,300	4,790	5,178
DIRECT MAIL	5,987	6,653	7,596	8,944	10,319	11,795	13,800	15,500	17,145
BUSINESS PUBLICATIONS	1,400	1,575	1,674	1,841	1,876	1,990	2,270	2,375	2,382
OUTDOOR									
TOTAL	466	540	578	650	721	794	872	945	985
NATIONAL	307	355	364	419	465	512	562	610	600
LOCAL	159	185	214	231	256	282	310	335	385
MISCELLANEOUS									
TOTAL	8,555	9,633	10,453	11,711	12,736	14,294	16,530	18,159	19,595
NATIONAL	4,435	4,992	5,478	6,154	6,722	7,348	8,586	9,551	10,175
LOCAL	4,120	4,641	4,975	5,557	6,014	6,946	7,944	8,608	9,420
TOTAL									
NATIONAL	23,720	26,695	29,815	33,890	37,785	42,525	49,690	53,355	56,850
LOCAL	19,610	22,085	23,735	26,540	28,795	33,325	38,130	41,395	45,290
GRAND TOTAL	43,330	48,780	53,550	60,430	66,580	75,850	87,820	94,750	102,140

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1969–1977
(IN MILLIONS OF DOLLARS)

	1969	1970	1971	1972	1973	1974	1975	1976	1977
NEWSPAPERS									
TOTAL	5,714	5,704	6,167	6,938	7,481	7,842	8,234	9,618	10,751
NATIONAL	943	891	972	1,062	1,049	1,105	1,109	1,342	1,472
LOCAL	4,771	4,813	5,195	5,876	6,432	6,737	7,125	8,276	9,279
MAGAZINES	1,344	1,292	1,370	1,440	1,448	1,504	1,465	1,789	2,162
FARM PUBLICATIONS	64	62	57	59	65	72	74	86	90
TELEVISION									
TOTAL	3,585	3,596	3,534	4,091	4,460	4,854	5,263	6,721	7,612
NETWORK	1,678	1,658	1,593	1,804	1,968	2,145	2,306	2,857	3,460
SPOT	1,253	1,234	1,145	1,318	1,377	1,497	1,623	2,154	2,204
LOCAL	654	704	796	969	1,115	1,212	1,334	1,710	1,948
RADIO									
TOTAL	1,264	1,308	1,445	1,612	1,723	1,837	1,980	2,330	2,634
NETWORK	59	56	63	74	68	69	83	105	137
SPOT	368	371	395	402	400	405	436	518	546
LOCAL	837	881	987	1,136	1,255	1,363	1,461	1,707	1,951
DIRECT MAIL	2,670	2,766	3,067	3,420	3,698	4,054	4,124	4,786	5,164
BUSINESS PAPERS	752	740	720	781	865	900	919	1,035	1,221
OUTDOOR									
TOTAL	213	234	261	292	308	309	335	383	418
NATIONAL	138	154	172	192	200	203	220	252	290
LOCAL	75	80	89	100	108	106	115	131	128
MISCELLANEOUS									
TOTAL	3,814	3,848	4,079	4,577	4,932	5,248	5,506	6,552	7,388
NATIONAL	2,131	2,126	2,201	2,428	2,562	2,746	2,841	3,431	3,849
LOCAL	1,683	1,722	1,878	2,149	2,370	2,502	2,665	3,121	3,539
TOTAL									
NATIONAL	11,400	11,350	11,755	12,980	13,700	14,700	15,200	18,355	20,595
LOCAL	8,020	8,200	8,945	10,230	11,280	11,920	12,700	14,945	16,845
GRAND TOTAL	19,420	19,550	20,700	23,210	24,980	26,620	27,900	33,300	37,440

Source: Robert J. Coen, McCann-Erickson, Inc., 1987

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1960–1968
(IN MILLIONS OF DOLLARS)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
NEWSPAPERS									
TOTAL	3,681	3,601	3,659	3,780	4,120	4,426	4,865	4,910	5,232
NATIONAL	778	744	722	702	773	784	887	846	889
LOCAL	2,903	2,857	2,937	3,078	3,347	3,642	3,978	4,064	4,343
MAGAZINES	909	895	942	1,002	1,074	1,161	1,254	1,245	1,283
FARM PUBLICATIONS	66	62	65	66	66	71	70	68	68
TELEVISION									
TOTAL	1,627	1,691	1,897	2,032	2,289	2,515	2,823	2,909	3,231
NETWORK	820	887	976	1,025	1,132	1,237	1,393	1,455	1,523
SPOT	527	548	629	698	806	892	988	988	1,131
LOCAL	280	256	292	309	351	386	442	466	577
RADIO									
TOTAL	693	683	736	789	846	917	1,010	1,048	1,190
NETWORK	43	43	46	56	59	60	63	64	63
SPOT	222	220	233	243	256	275	308	314	360
LOCAL	428	420	457	490	531	582	639	670	767
DIRECT MAIL	1,830	1,850	1,933	2,078	2,184	2,324	2,461	2,488	2,612
BUSINESS PAPERS	609	578	597	615	623	671	712	707	714
OUTDOOR									
TOTAL	203	180	171	171	175	180	178	191	208
NATIONAL	137	122	115	115	117	120	118	126	137
LOCAL	66	58	56	56	58	60	60	65	71
MISCELLANEOUS									
TOTAL	2,342	2,320	2,430	2,567	2,773	2,985	3,257	3,304	3,552
NATIONAL	1,364	1,366	1,437	1,520	1,630	1,745	1,896	1,909	2,020
LOCAL	978	954	993	1,047	1,143	1,240	1,361	1,395	1,532
TOTAL									
NATIONAL	7,305	7,315	7,695	8,120	8,720	9,340	10,150	10,210	10,800
LOCAL	4,655	4,545	4,735	4,980	5,430	5,910	6,480	6,660	7,290
GRAND TOTAL	11,960	11,860	12,430	13,100	14,150	15,250	16,630	16,870	18,090

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1951–1959
(IN MILLIONS OF DOLLARS)

	1951	1952	1953	1954	1955	1956	1957	1958	1959
NEWSPAPERS									
TOTAL	2,251	2,464	2,632	2,685	3,077	3,223	3,268	3,176	3,526
NATIONAL	529	537	606	607	712	754	768	724	773
LOCAL	1,722	1,927	2,026	2,078	2,365	2,469	2,500	2,452	2,753
MAGAZINES	535	575	627	629	691	758	777	734	832
FARM PUBLICATIONS	64	70	71	71	72	73	71	67	71
TELEVISION									
TOTAL	332	454	606	809	1,035	1,225	1,286	1,387	1,529
NETWORK	181	256	320	422	550	643	690	742	776
SPOT	70	94	145	207	260	329	352	397	486
LOCAL	81	104	141	180	225	253	244	248	267
RADIO									
TOTAL	606	624	611	559	545	567	618	620	656
NETWORK	180	162	141	114	84	60	63	58	44
SPOT	138	141	146	135	134	161	187	190	206
LOCAL	288	321	324	310	327	346	368	372	406
DIRECT MAIL	924	1,024	1,099	1,202	1,299	1,419	1,471	1,589	1,688
BUSINESS PAPERS	292	365	395	408	446	496	568	525	569
OUTDOOR									
TOTAL	149	162	176	187	192	201	199	192	193
NATIONAL	101	109	119	126	130	136	134	130	130
LOCAL	48	53	57	61	62	65	65	62	63
MISCELLANEOUS									
TOTAL	1,267	1,402	1,523	1,600	1,793	1,948	2,012	2,020	2,206
NATIONAL	696	767	846	899	1,002	1,111	1,169	1,184	1,280
LOCAL	571	635	677	701	791	837	843	836	926
TOTAL									
NATIONAL	3,710	4,100	4,515	4,820	5,380	5,940	6,250	6,340	6,855
LOCAL	2,710	3,040	3,225	3,330	3,770	3,970	4,020	3,970	4,415
GRAND TOTAL	6,420	7,140	7,740	8,150	9,150	9,910	10,270	10,310	11,270

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1943–1950
(IN MILLIONS OF DOLLARS)

	1943	1944	1945	1946	1947	1948	1949	1950
NEWSPAPERS								
TOTAL	899	886	919	1,155	1,471	1,745	1,911	2,070
NATIONAL	180	191	203	238	323	379	463	518
LOCAL	719	695	716	917	1,148	1,366	1,448	1,552
MAGAZINES	259	305	344	405	464	477	458	478
FARM PUBLICATIONS	25	29	32	36	49	56	55	58
TELEVISION								
TOTAL	—	—	—	—	—	—	58	171
NETWORK	—	—	—	—	—	—	30	85
SPOT	—	—	—	—	—	—	9	31
LOCAL	—	—	—	—	—	—	19	55
RADIO								
TOTAL	314	393	424	455	506	562	571	605
NETWORK	157	192	198	200	201	211	203	196
SPOT	71	87	92	98	106	121	123	136
LOCAL	86	114	134	157	199	230	245	273
DIRECT MAIL	322	326	290	334	579	689	756	803
BUSINESS PUBLICATIONS	142	177	204	211	233	251	248	251
OUTDOOR								
TOTAL	42	56	72	86	121	132	131	142
NATIONAL	29	39	50	60	79	89	88	96
LOCAL	13	17	22	26	42	43	43	46
MISCELLANEOUS								
TOTAL	487	528	555	658	837	958	1,022	1,122
NATIONAL	270	309	327	368	466	522	557	608
LOCAL	217	219	228	290	371	436	465	514
TOTAL								
NATIONAL	1,455	1,655	1,740	1,950	2,500	2,795	2,990	3,260
LOCAL	1,035	1,045	1,100	1,390	1,760	2,075	2,220	2,440
GRAND TOTAL	2,490	2,700	2,840	3,340	4,260	4,870	5,210	5,700

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1935–1942
(IN MILLIONS OF DOLLARS)

	1935	1936	1937	1938	1939	1940	1941	1942
NEWSPAPERS								
TOTAL	761	842	870	782	793	815	844	797
NATIONAL	148	166	166	148	152	161	162	141
LOCAL	613	676	704	634	641	654	682	656
MAGAZINES	130	154	181	158	169	186	201	187
FARM PUBLICATIONS	10	12	19	14	17	19	19	18
TELEVISION								
TOTAL	—	—	—	—	—	—	—	—
NETWORK	—	—	—	—	—	—	—	—
SPOT	—	—	—	—	—	—	—	—
LOCAL	—	—	—	—	—	—	—	—
RADIO								
TOTAL	113	122	165	167	184	215	247	260
NETWORK	63	75	89	89	99	113	125	129
SPOT	15	23	28	34	35	42	52	59
LOCAL	35	24	48	44	50	60	70	72
DIRECT MAIL	282	319	333	324	333	334	353	329
BUSINESS PUBLICATIONS	51	61	70	61	69	76	89	98
OUTDOOR								
TOTAL	31	38	44	43	44	45	53	44
NATIONAL	23	28	33	32	33	34	37	31
LOCAL	8	10	11	11	11	11	16	13
MISCELLANEOUS								
TOTAL	342	382	418	381	401	420	444	427
NATIONAL	168	192	211	200	213	225	242	228
LOCAL	174	190	207	181	188	195	202	199
TOTAL								
NATIONAL	890	1,030	1,130	1,060	1,120	1,190	1,280	1,220
LOCAL	830	900	970	870	890	920	970	940
GRAND TOTAL	1,720	1,930	2,100	1,930	2,010	2,110	2,250	2,160

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

DIRECT RESPONSE ADVERTISING AGENCIES U.S. GROSS BILLINGS

	BILLINGS (IN MILLIONS) 1986	BILLINGS (IN MILLIONS) 1985
AGENCIES REPORTING FEES AND COMMISSIONS ONLY		
WUNDERMAN, RICOTTA & KLINE*	224.5	175.7
OGILVY & MATHER DIRECT*	207.4	172.0
MARCOA DR GROUP, INC.[1]	110.0	101.0
CHAPMAN STONE & ADLER, INC.*	97.0	99.8
GREY DIRECT INTERNATIONAL	94.0	81.8
KOBS & BRADY ADVERTISING, INC.	81.0	70.3
RAPP & COLLINS DIRECT RESPONSE GROUP*[2]	80.1	83.5
FCB DIRECT[1,2]	78.4	60.6
BARRY BLAU & PARTNERS	63.1	42.5
McCANN DIRECT	42.0	24.1
McCAFFREY & McCALL DIRECT MARKETING	41.0	32.5
LOWE MARSCHALK DIRECT MARKETING	40.9	13.3
FAIRFAX ADVERTISING, INC.	40.0	32.9
AYER DIRECT	37.0	25.0
BOZELL, JACOBS, KENYON & ECKHARDT DIRECT	36.7	26.5
GSP MARKETING SERVICES*	34.4	27.7
SCALI, McCABE, SLOVES DIRECT	31.0	30.5
HEMMINGS, BIRKHOLM & GRIZZARD	26.0	6.5
SSC&B:VOS DIRECT, INC.	25.2	24.5
THE REICH GROUP	25.1	15.1
LAWRENCE BUTNER ADVERTISING, INC.*	24.3	20.1
DFS DORLAND DIRECT	21.7	25.8
CRAMER-KRASSELT/DIRECT*	20.7	8.6
KARL ROVE & COMPANY[2]	16.8	12.2
TRACY LOCKE/DENVER & DALLAS	15.8	8.7
CLARK DIRECT MARKETING	15.7	11.8
DIRECT INC.*	15.3	20.3
MacDANTZ DIRECT, INC.	12.5	10.1
THE TOWNSEND AGENCY, INC.*	12.0	5.7
AC & R DIRECT	10.7	12.5
KETCHUM DIRECT	10.7	6.7
KKB, INC.	10.5	10.5
PETER VANE ADVERTISING	10.4	5.7
MULDOON DIRECT, INC.	10.2	7.3
EVERGREEN ADVERTISING & MARKETING, INC.	8.7	8.4
WAKEMAN AND de FOREST*	8.5	NA
HERRING/NEWMAN DIRECT ADVERTISING*	8.4	6.1
DELLA FEMINA TRAVISANO & PARTNERS—DIRECT	8.1	NA
BLOOM & GELB	8.0	7.2
ABELSON TAYLOR, INC.*	6.7	4.4
HAL LANGERMAN COMPANY	6.5	5.6
MTD MARKETING DIRECT*	6.4	NA
CENTRAL ADVERTISING AGENCY, INC.	6.2	0.2
ASSOCIATES & LARRANAGA, INC.	5.9	5.4
HBM/CREAMER DIRECT	5.3	0.8
JLA DIRECT	4.6	3.8
WEBB & COMPANY	4.0	5.1
PARSONS & KERN ADVERTISING, INC.	4.0	3.2
LORTZ DIRECT MARKETING INC.	3.9	3.3
TAURUS MARKETING	3.3	9.0
JACOBS & CLEVENGER, INC.	3.3	2.3
CARGILL, WILSON, & ACREE DIRECT	3.1	1.8
HUBER HOGE & SONS ADVERTISING, INC.	2.9	0.8
J.W. PRENDERGAST & ASSOCIATES, INC.	2.8	3.8
EGAN ADVERTISING, INC.	2.5	2.3
HAYNES & PITTENGER DIRECT*	2.2	1.7
CARMICHAEL-LYNCH, INC.*	2.1	1.3
MALMO DIRECT	2.1	1.9
RONALD A. BERNSTEIN & ASSOC., INC.	2.0	3.3
RUSS LAPSO & ASSOCIATES, INC.*	1.9	1.5
GERALD PATLIS ADVERTISING	1.5	1.4
HENDERSON DIRECT	1.3	1.3
CAMPBELL-EWALD COMPANY	0.6	0.5
AGENCIES REPORTING FEES AND COMMISSIONS PLUS INTERNAL PRODUCTION REVENUES		
THE DIRECT MARKETING GROUP, INC.*	138.7	101.6
KRUPP/TAYLOR	64.8	50.4
THE DIRECT MARKETING AGENCY, INC.*	60.4	63.4
EPSILON	47.8	35.8
CUSTOMER DEVELOPMENT CORP.	40.5	35.4
DIRECT MAIL CORPORATION OF AMERICA	40.0	39.8
COMPUTER MARKETING SERVICES, INC.	37.5	26.4
GRIZZARD ADVERTISING, INC.*	13.7	8.1
MANUS SERVICES CORP.*	12.4	12.5
MARKETING COMMUNICATIONS, INC.*	11.7	13.0
HUB MAIL ADVERTISING	10.8	12.8
NELSON PANULLO JUTKINS DIRECT MARKETING, INC.	10.7	7.1
COMMUNIQUE, INC.	9.3	5.6
WALTER LATHAM COMPANY	9.0	7.0
BRUCE W. EBERLE & ASSOC.	8.0	6.2
FRANK/JAMES DIRECT MARKETING CO.	7.5	9.8
CREATIVE DIRECT MARKETING GROUP	3.5	1.2

* Audit available on reported figures.

1. The 1985 figure has been restated for comparability and is the compilation of three separate figures: 1) DR Group 2) BBDO Direct and 3) MARCOA Direct Advertising Inc., Chicago.
2. Does not include internal production revenue.
3. The 1986 figure represents FCB Direct and Leber Katz figures; whereas the 1985 figure only represents FCB Direct.
4. This agency was formed in March of 1985.

Note: This list represents only those agencies who responded to a request made in 1987 for full year U.S. 1985 and 1986 billings. All figures were supplied by the individual agencies who were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services.

Source: Direct Marketing Association Research Department, 1987

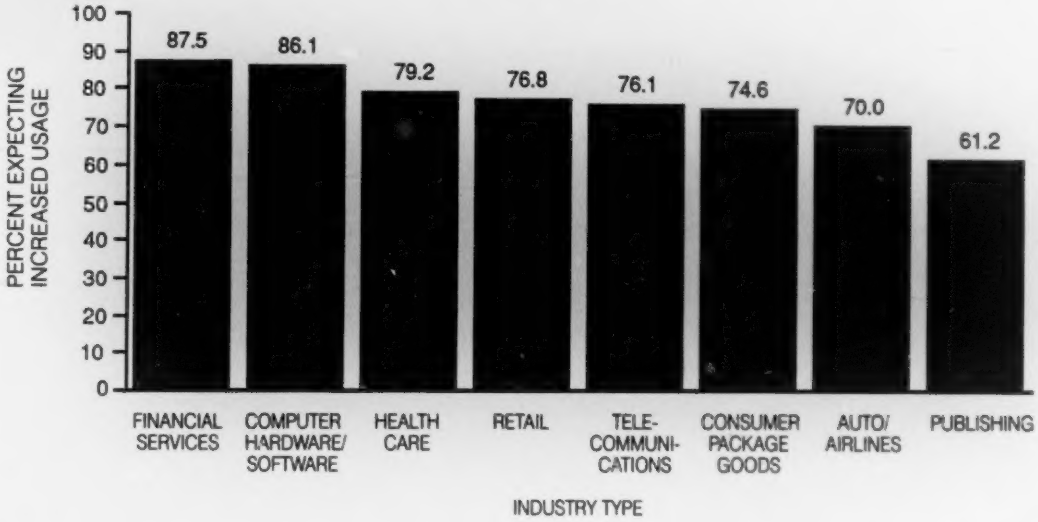
MEDIA USAGE

TODAYS PATTERNS VS. TOMORROW'S EXPECTATIONS

MEDIA	% FOR LEAD GENERATION		% TO GENERATE SALES		FOR SALES SUPPORT	
	Today	Tomorrow	Today	Tomorrow	Today	Tomorrow
DIRECT MAIL	61%	52%	66%	56%	24%	22%
MAGAZINES	53%	37%	43%	30%	27%	18%
CATALOGS	31%	26%	38%	33%	10%	10%
TELEMARKETING	30%	32%	42%	42%	15%	17%
NEWSPAPERS	30%	21%	26%	17%	19%	11%
PKG./STMT. INSERTS	25%	22%	31%	25%	12%	9%
FREE STDG. INSERTS	22%	18%	24%	18%	11%	8%
POINT OF SALE	19%	13%	18%	14%	11%	8%
UHF/VHF TELEVISION	15%	17%	15%	14%	15%	13%
CABLE TV	11%	20%	13%	19%	8%	11%
RADIO	11%	10%	11%	10%	14%	10%

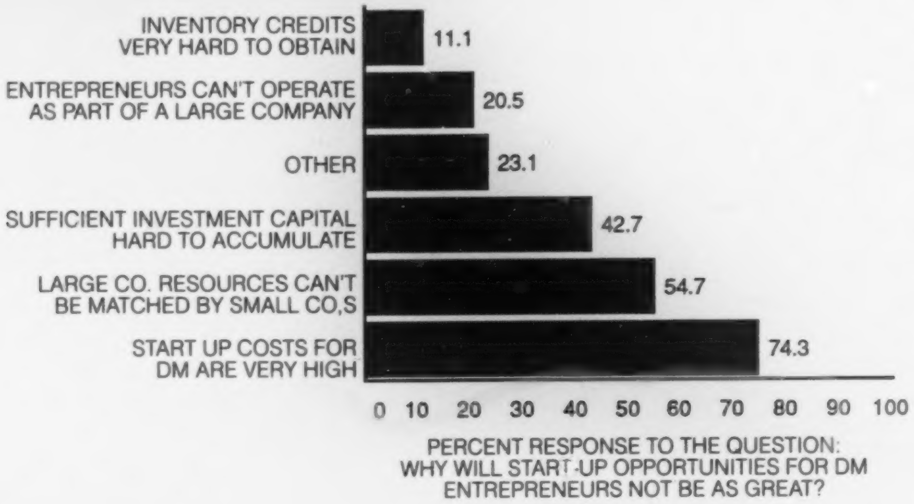
Source: DMA Research Department, Marketing Council, Direct Marketing Practices & Trends Survey 1986

FUTURE INVOLVEMENT IN DIRECT MARKETING BY INDUSTRY TYPE



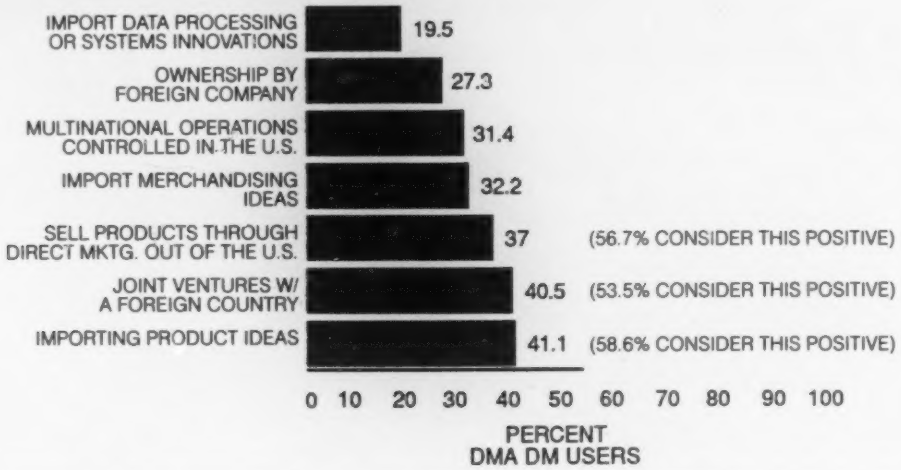
Source: DMA Research Department, Marketing Council, Direct Marketing Practices & Trends Survey, 1986

FACTORS BLOCKING ENTREPRENEURIAL DIRECT MARKETING START-UP OPPORTUNITIES



Source: DMA Research Department, Marketing Council, Direct Marketing Practices & Trends Survey, 1986

GLOBAL MARKETING TRENDS IDENTIFIED BY 640 DMA MEMBERS USING DIRECT MARKETING



Source: DMA Research Department, Marketing Council, Direct Marketing Practices & Trends Survey, 1986

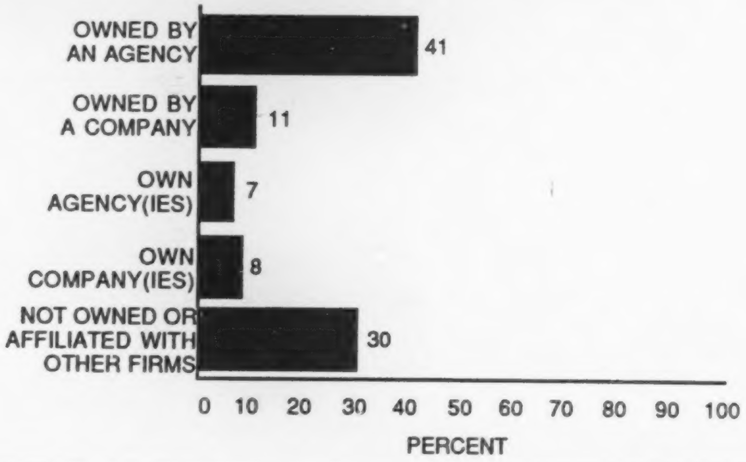
1984 DIRECT RESPONSE ADVERTISING AGENCY SALARIES

The DMA Direct Response Advertising Agencies Compensation Survey was conducted by mail in September 1985 among 291 advertising agencies. A 29 percent response rate was achieved. The results of this study provides a profile of respondents and analyzes compensation on a total respondent base as well as by ownership, geographic location, employee size, and 1984 gross billings. The following charts summarize key highlights of the studies findings.

DEPARTMENT/TITLE	AVERAGE SALARY	MEDIAN SALARY	AVERAGE % BASE SALARY	MEDIAN % BASE SALARY
ACCOUNT MANAGEMENT				
EXECUTIVE/SR. V.P., DIRECTOR OF ACCOUNT MANAGEMENT	$88,278	$75,000	76%	80%
V.P., MANAGEMENT, SUPERVISOR	$65,999	$65,000	86%	86%
ACCOUNT SUPERVISOR	$46,281	$45,000	82%	90%
ACCOUNT EXECUTIVE	$31,603	$30,000	85%	95%
ASSISTANT ACCOUNT EXECUTIVE	$22,637	$20,725	82%	95%
CREATIVE SERVICES				
EXECUTIVE/SR. V.P., DIRECTOR OF CREATIVE SERVICES	$78,355	$72,100	85%	90%
CREATIVE SUPERVISOR	$53,533	$50,000	83%	90%
COPY SUPERVISOR/COPY CHIEF	$40,640	$38,550	80%	93%
COPYWRITER	$30,835	$30,000	90%	97%
JUNIOR COPYWRITER	$21,521	$20,300	90%	96%
ART SUPERVISOR/CHIEF	$46,377	$42,500	89%	94%
ART DIRECTOR	$32,246	$30,000	90%	97%
ASSISTANT ART DIRECTOR	$22,806	$22,000	94%	97%
PRODUCTION & TRAFFIC				
V.P. DIRECTOR OF PRODUCTION AND TRAFFIC	$49,222	$43,350	81%	90%
PRODUCTION MANAGER	$29,887	$29,950	89%	95%
TRAFFIC SUPERVISOR	$25,416	$25,000	92%	93%
TRAFFIC MANAGER	$21,123	$20,000	87%	99%
MEDIA SERVICES				
EXECUTIVE/SR. V.P., DIRECTOR OF MEDIA SERVICES	$78,317	$56,000	84%	82%
V.P., MEDIA DIRECTOR	$42,729	$44,000	78%	90%
MEDIA PLANNER	$27,199	$28,000	80%	91%
MEDIA BUYER	$20,408	$20,000	94%	95%
V.P., BROADCAST DIRECTOR	$51,375	$59,000	91%	90%
BROADCAST BUYER	$24,538	$23,000	97%	100%

Source: DMA Research Department, Agency Leaders Group, Direct Response Advertising Agencies Compensation Survey, 1985

1984 DIRECT RESPONSE ADVERTISING AGENCY OWNERSHIP STATUS



Source: DMA Research Department, Agency Leaders Group, Direct Response Advertising Agencies Compensation Survey, 1985

1984 DIRECT RESPONSE AD AGENCY GROSS BILLINGS BY OWNERSHIP STATUS

BILLINGS AMOUNT	% TOTAL	% OWNED	% NOT OWNED
$5 million or less	44	27	61
$6–$10 million	19	9	29
$11–$25 million	20	33	6
$26–$50 million	13	21	3
$51–$100 million	3	6	—
$101 million or more	2	3	—

Source: DMA Research Department, Agency Leaders Group, Direct Response Advertising Agencies Compensation Survey, 1985

BENEFITS OFFERED BY DIRECT RESPONSE AD AGENCIES BY BILLINGS in 1984

		% BILLINGS	
TYPE OF BENEFIT	% TOTAL	$ 10MM OR LESS	$ 11MM OR MORE
GUARANTEED BONUSES	9	10	8
NON-GUARANTEED BONUSES	77	73	83
PROFIT SHARING	59	53	71
COMPANY CAR	22	25	17
INCENTIVE PLANS	25	23	29
STOCK OPTIONS	19	13	29

Source: DMA Research Department, Agency Leaders Group, Direct Response Advertising Agencies Compensation Survey, 1985

DIRECT RESPONSE AD AGENCY BY 1984 LOCATION, EMPLOYEE SIZE AND BILLINGS

		EMPLOYEE SIZE		BILLINGS	
LOCATION	TOTAL AGENCIES	20 OR LESS	21 OR MORE	10MM OR LESS	11MM OR MORE
NORTHEAST	44%	43%	44%	33%	63%
SOUTHEAST	5%	4%	6%	5%	4%
MIDWEST	30%	36%	25%	35%	21%
SOUTHWEST	17%	18%	17%	23%	8%
NORTHWEST	3%	—	6%	5%	—

Source: DMA Research Department, Agency Leaders Group, Direct Response Advertising Agencies Compensation Survey, 1985

DIRECT RESPONSE ADVERTISING TRENDS RESEARCH STUDIES

- **DMA Research Department, Marketing Council, Management Survey of Current Direct Marketing Practices and Trends, August 1986**

Total Sample Size:	4,550 companies	
Number of Respondents:	1,001 companies-------	DMA Users: 640 DMA Service Cos.: 361
Response Rate:	22%	
Research Method:	Mail Survey	

- **DMA Research Department, Agency Leaders Group, Direct Response Advertising Agencies Compensation Study, November 1985**

This study also includes an Agency Job Description Report

Total Sample Size:	291 agencies
Number of Respondents:	85 agencies
Response Rate:	29%
Research Method:	Mail Survey

MEDIA

11 DIRECT MAIL
27 CATALOG
38 TELEPHONE
55 PRINT
60 ELECTRONIC/TELEVISION

1985 AND 1986 SIMMONS STUDY OF MEDIA AND MARKETS

This syndicated study is based on a stratified multi-stage area probability sample of 19,159 adults in 1985 and 19,146 in 1986 (18 and older in both years), interviewed between the months of August and June. The sample is projectable to the population 18 years and over living in the coterminous 48 states. The following demographics were gathered through personal interviews. Product usage and buying behavior data was gathered through self-administered questionnaires. The following percentages indicate mail order penetration by demographic type among different product categories.

SIMMONS STUDY OF MARKETS AND MEDIA: 1985–1986 COMPARISON

TOTAL POPULATION ORDERING VIA DIRECT MARKETING INCREASES BY 15.15%

	1985 TOTAL U.S. (000)	1985 TOTAL U.S. BUYERS (000)	% ANY PRODUCT	1986 TOTAL U.S. (000)	1986 TOTAL U.S. BUYERS (000)	% ANY PRODUCT	% CHAGE FROM 1985 to 1986 TOTAL BUYERS	TOTAL INCREASE IN MAIL ORDER BUYERS 1985–1986 (000)
TOTAL ADULTS	169,460	76,182	45.0	171,205	87,721	51.2	+15.15%	(+11,539)
MALES	80,052	31,495	39.3	80,940	36,717	45.4	+16.58%	(+5,222)
FEMALES	89,408	44,687	50.0	90,265	51,004	56.5	+14.14%	(+6,317)
18–24	28,611	10,754	37.6	28,015	12,233	43.7	+13.75%	(+1,375)
25–34	40,058	19,350	48.3	40,789	22,256	54.6	+15.02%	(+2,906)
35–44	30,132	15,727	52.2	30,748	17,829	58.0	+13.37%	(+2,102)
45–54	22,317	10,921	48.9	22,492	12,388	55.1	+13.43%	(+1,467)
55–64	21,993	9,675	44.0	22,214	11,633	52.4	+20.24%	(+1,958)
65 OR OLDER	26,760	9,755	37.0	26,947	11,384	42.2	+16.70%	(+1,629)
GRADUATED COLLEGE	28,683	15,909	55.5	29,406	18,387	62.5	+15.58%	(+2,478)
ATTENDED COLLEGE	29,760	15,094	50.7	30,538	17,378	56.9	+15.13%	(+2,284)
GRADUATED HIGH SCHOOL	67,306	31,359	46.6	67,462	34,869	51.7	+11.19%	(+3,510)
DID NOT GRADUATE HIGH SCHOOL	43,705	13,819	31.6	43,799	17,087	39.0	+23.65%	(+3,268)
PROFESSIONAL MANAGER	26,470	14,694	55.5	26,750	16,834	62.9	+14.56%	(+2,140)
TECHNICAL/CLERICAL/SALES	31,679	16,562	52.3	33,058	18,812	56.9	+13.59%	(+2,250)
PRECISION/CRAFT	12,857	5,272	41.0	14,784	6,804	46.0	+29.06%	(+1,532)
OTHER EMPLOYMENT	31,060	12,302	39.6	29,649	13,731	46.3	+11.62%	(+1,429)
SINGLE	36,345	13,991	38.5	36,323	15,506	42.7	+10.83%	(+1,515)
MARRIED	103,592	50,859	49.1	104,447	58,423	55.9	+14.87%	(+7,564)
DIVORCED, SEPARATED, WIDOWED	29,524	11,332	38.4	30,435	13,792	45.3	+21.71%	(+2,460)
PARENTS	58,373	29,115	49.9	59,771	34,665	58.0	+19.06%	(+5,550)
NORTHEAST	38,103	16,154	42.4	38,874	17,806	45.8	+10.23%	(+1,652)
EAST CENTRAL	24,421	11,525	47.2	24,736	13,412	54.2	+16.37%	(+1,887)
WEST CENTRAL	28,542	14,161	49.6	28,455	17,234	60.6	+21.70%	(+3,073)
SOUTH	49,737	20,654	41.5	50,124	24,611	49.1	+19.16%	(+3,957)
PACIFIC	28,658	13,688	47.8	29,016	14,658	50.5	+ 7.09%	(+970)
METRO CENTRAL CITY	50,827	21,065	41.4	51,456	22,996	44.7	+ 9.17%	(+1,931)
METRO SUBURBAN	77,471	35,803	46.2	78,160	40,490	51.8	+13.09%	(+4,687)
NON-METRO	41,162	19,314	46.9	41,589	24,236	58.3	+25.48%	(+4,922)
HOUSEHOLD INCOME								
$60,000 OR MORE	—	—	—	15,134	8,777	58.0	—	—
$50,000 OR MORE	20,974	11,373	54.2	23,947	14,111	58.9	+24.07%	(+2,738)
$40,000 OR MORE	38,603	21,158	54.8	43,026	25,051	58.2	+18.40%	(+3,893)
$30,000 OR MORE	65,657	34,796	53.0	70,000	40,972	58.5	+17.75%	(+6,176)
$30,000-$39,999	—	—	—	26,975	15,921	59.0	—	—
$20,000–$29,999	—	—	—	36,222	19,628	54.2	—	—
$10,000–$19,999	39,669	16,338	41.8	38,896	18,298	47.0	+12.00%	(+1,960)
UNDER $10,000	28,767	8,503	29.6	26,087	8,823	33.8	+ 3.76%	(+320)
HOUSEHOLD SIZE								
1 PERSON	20,053	7,549	37.6	20,419	8,745	42.8	+15.84%	(+1,196)
2 PEOPLE	52,536	23,121	44.0	53,236	26,824	50.4	+16.02%	(+3,703)
3 OR 4 PEOPLE	68,502	32,724	47.8	69,004	36,891	53.5	+12.73%	(+4,167)
5 OR MORE PEOPLE	28,369	12,787	45.1	28,546	15,262	53.5	+19.36%	(+2,475)
CHILDREN								
NO CHILDREN IN HOUSEHOLD	98,374	42,822	43.5	99,969	47,827	47.8	+11.69%	(+5,005)
CHILDREN UNDER 2 YEARS	10,921	5,388	49.3	11,444	6,099	53.5	+13.20%	(+711)
2–5 YEARS	25,334	12,237	48.3	25,495	14,300	56.1	+16.86%	(+2,063)
6–11 YEARS	31,780	14,712	46.3	31,496	18,058	57.3	+22.74%	(+3,346)
12–17 YEARS	35,615	16,294	45.8	35,369	19,803	56.0	+21.54%	(+3,509)
RESIDENCE OWNED	118,551	57,477	48.5	118,918	65,963	55.5	+14.76%	(+8,486)
VALUE: $60,000 OR MORE	59,901	30,610	51.1	61,782	35,443	57.4	+15.79%	(+4,833)
LESS THAN $60,000	58,650	26,867	45.8	57,136	30,520	53.4	+13.60%	(+3,653)

Source: Simmons Market Research Bureau, Study of Media & Markets, 1985, 1986

PERCENT OF TOTAL POPULATION ORDERING VIA DIRECT MARKETING IN THE 10 MONTH PERIOD BETWEEN AUGUST 1985–JUNE 1986

	TOTAL U.S. (000)	TOTAL U.S. PRODUCT	COOK BOOKS	BOOK CLUB BOOKS	COSMETICS	RECORDS	MAGAZINES	PHOTO PROCESSING	SPORTING GOODS	CLOTHING	VITAMINS
			86	86	86	86	86	86	86	86	86
TOTAL ADULTS	171,205	51.2	1.8	4.3	2.4	3.4	11.6	2.2	2.1	7.9	1.6
MALES	80,940	45.4	1.0	3.2	1.3	3.3	10.8	2.0	2.9	5.4	1.3
FEMALES	90,265	56.5	2.5	5.2	3.3	3.5	12.3	2.4	1.3	10.1	1.9
18–24	28,015	43.7	1.4	2.6	2.7	4.1	10.4	1.5	1.6	5.5	0.4
25–34	40,789	54.6	2.0	6.8	2.4	4.6	13.4	3.4	2.4	7.7	1.2
35–44	30,748	58.0	1.6	5.4	2.6	4.0	13.5	2.8	2.8	9.1	1.9
45–54	22,492	55.1	2.2	3.2	2.3	2.8	12.3	2.6	2.1	7.9	2.0
55–64	22,214	52.4	2.2	3.3	2.6	2.3	11.1	1.5	2.3	10.5	2.7
65 OR OLDER	26,947	42.2	1.4	2.4	1.7	1.6	7.7	0.8	1.0	7.0	2.3
GRADUATED COLLEGE	29,406	62.5	2.2	6.9	2.5	4.6	15.4	2.7	2.8	10.7	2.2
ATTENDED COLLEGE	30,538	56.9	2.2	5.6	2.5	4.3	15.2	2.5	2.2	8.9	1.6
GRADUATED HIGH SCHOOL	67,462	51.7	1.7	3.8	2.5	3.4	11.4	1.6	2.2	7.8	1.7
DID NOT GRADUATE HIGH SCHOOL	43,799	39.0	1.3	2.2	2.1	2.1	6.8	0.9	1.4	5.4	1.2
PROFESSIONAL/ MANAGER	26,750	62.9	2.0	7.0	2.4	4.7	16.1	2.3	3.3	10.5	2.1
TECHNICAL/CLERICAL/ SALES	33,058	56.9	2.0	5.6	3.0	3.9	13.5	1.8	1.9	9.3	1.7
PRECISION/CRAFT	14,784	46.0	1.4	2.8	1.4	3.3	10.1	3.5	2.8	6.1	1.2
OTHER EMPLOYED	29,649	46.3	1.5	3.6	2.4	3.5	10.8	2.0	1.9	5.3	1.2
SINGLE	36,323	42.7	1.3	3.1	2.4	4.3	11.2	1.5	2.0	6.3	0.8
MARRIED	104,447	55.9	2.0	4.9	2.3	3.4	12.4	2.2	2.3	8.7	1.8
DIVORCED, SEPARATED, WIDOWED	30,435	45.3	1.7	3.6	2.8	2.3	9.2	0.9	1.2	6.9	2.2
PARENTS	59,771	58.0	1.8	5.9	2.4	4.1	13.5	2.1	2.5	7.9	1.3
NORTHEAST	38,874	45.8	1.5	3.6	2.1	3.3	10.3	1.6	1.2	8.1	1.7
EAST CENTRAL	24,736	54.2	1.8	4.6	2.3	4.2	11.8	2.1	2.6	9.6	1.5
WEST CENTRAL	28,455	60.6	1.8	5.4	2.4	3.3	14.8	2.4	2.8	9.2	1.8
SOUTH	50,124	49.1	2.0	3.7	2.4	2.7	10.7	1.2	1.8	6.4	1.6
PACIFIC	29,016	50.5	1.8	4.7	2.6	4.2	11.4	2.2	2.5	7.4	1.6
METRO CENTRAL CITY	51,456	44.7	1.5	3.9	2.2	2.8	10.9	2.1	1.7	6.3	1.2
METRO SUBURBAN	78,160	51.8	1.9	4.5	2.2	3.4	11.5	2.4	2.1	8.2	1.8
NON-METRO	41,589	58.3	1.9	4.2	2.2	4.2	12.5	2.0	2.5	9.2	2.0
HOUSEHOLD INCOME											
$60,000 OR MORE	15,134	58.0	2.0	5.7	2.5	5.3	14.2	4.1	3.5	9.9	1.2
$50,000 OR MORE	23,947	59.9	1.8	5.7	2.3	4.7	14.8	3.3	3.4	9.7	1.4
$40,000 OR MORE	43,026	58.2	2.0	5.6	2.5	4.0	14.3	2.8	3.4	9.7	1.4
$30,000 OR MORE	70,000	58.5	1.9	5.4	2.5	4.0	14.0	2.8	2.9	9.5	1.5
$30,000–$39,999	26,975	59.0	1.8	5.1	2.7	4.0	13.6	2.7	2.3	9.0	1.7
$20,000–$29,999	36,222	54.2	1.7	4.3	2.4	3.6	12.3	2.3	1.9	7.6	1.9
$10,000–$19,999	38,896	47.0	1.6	3.6	2.5	3.1	10.5	2.0	1.3	7.5	1.7
UNDER $10,000	26,087	33.8	1.7	2.1	1.7	2.1	5.7	0.9	1.1	4.7	1.4
HOUSEHOLD SIZE											
1 PERSON	20,419	42.8	1.7	3.2	1.8	3.0	9.0	1.7	1.2	6.7	2.4
2 PEOPLE	53,236	50.4	2.4	3.6	2.5	2.8	11.0	1.7	1.8	8.9	2.0
3 OR 4 PEOPLE	69,004	53.5	1.4	4.8	2.4	3.5	12.4	2.4	2.5	7.7	1.5
5 OR MORE PEOPLE	28,546	53.5	1.7	4.9	2.5	4.5	12.6	3.1	2.3	7.4	0.8
CHILDREN											
NO CHILD IN HOUSEHOLD	99,969	47.8	1.8	3.5	2.2	3.1	10.5	1.7	1.8	8.2	1.9
CHILDREN UNDER 2 YEARS	11,444	53.3	1.9	6.5	1.8	3.1	13.6	4.4	2.3	6.5	0.7
2–5 YEARS	25,495	56.1	2.4	6.7	2.0	3.9	13.4	3.2	2.4	5.9	1.1
6–11 YEARS	31,496	57.3	1.5	6.3	2.1	4.5	13.1	2.6	2.6	7.4	1.2
12–17 YEARS	35,369	56.0	1.3	3.7	3.2	4.0	12.4	2.3	2.7	8.3	1.5
RESIDENCE OWNED	118,918	55.5	1.9	4.3	2.5	3.6	12.7	2.4	2.4	8.9	1.9
VALUE $60,000 OR MORE	61,782	57.4	1.9	4.4	2.3	3.5	13.2	2.6	2.3	9.1	1.8
VALUE LESS THAN $60,000	57,136	53.4	1.9	4.3	2.6	3.6	12.2	2.2	2.5	8.6	2.1

PERCENT OF TOTAL POPULATION ORDERING VIA DIRECT MARKETING IN THE 10 MONTH PERIOD BETWEEN AUGUST 1985–JUNE 1986

	NEEDLECRAFT KITS, SUPPLIES	TOOLS	COOKWARE, KITCHEN ACCESSORIES	TREES, PLANTS, SEEDS	GREETING CARDS	OTHER BOOKS	STATIONERY	SHOES & BOOTS	AUDIO CASSETTE TAPES	TRAVEL/ TOUR INFORMATION	CREDIT CARDS
TOTAL ADULTS	2.1	1.8	1.9	3.1	2.3	3.3	1.6	2.5	3.4	3.8	3.2
MALES	1.1	2.6	1.1	2.4	1.4	2.8	1.0	2.1	3.1	3.4	3.0
FEMALES	3.1	1.1	2.6	3.7	3.2	3.7	2.2	2.8	3.7	4.1	3.3
18–24	1.0	0.9	1.5	1.0	0.9	2.5	1.3	1.9	2.6	2.4	3.7
25–34	2.3	2.4	2.5	3.3	2.9	3.7	2.5	2.4	4.0	3.9	4.5
35–44	2.1	2.0	2.0	3.9	2.7	3.9	2.1	2.6	4.3	4.7	3.6
45–54	2.6	2.1	1.8	3.1	2.6	3.5	1.4	2.1	4.1	4.7	2.9
55–64	2.7	2.2	1.7	3.5	2.5	3.5	1.1	3.2	3.1	4.5	2.1
65 OR OLDER	2.2	1.1	1.6	3.6	2.1	2.4	0.8	2.7	2.2	2.5	1.2
GRADUATED COLLEGE	2.3	2.7	2.1	4.1	3.1	5.0	2.8	2.7	4.4	7.3	5.1
ATTENDED COLLEGE	2.5	2.5	2.4	3.5	3.1	4.1	2.1	2.2	4.0	5.6	5.0
GRADUATED HIGH SCHOOL	2.3	1.6	1.9	2.9	2.2	2.8	1.6	2.8	3.7	3.1	2.7
DID NOT GRADUATE HIGH SCHOOL	1.5	0.9	1.4	2.4	1.4	2.3	0.6	2.0	2.0	1.2	1.4
PROFESSIONAL/ MANAGER	2.5	2.3	2.2	3.5	2.4	5.1	2.2	2.3	4.9	7.4	5.2
TECHNICAL/CLERICAL/ SALES	2.8	1.8	2.1	3.2	3.3	2.9	2.6	1.8	3.8	4.2	4.6
PRECISION/CRAFT	1.0	3.5	2.4	2.7	1.2	2.1	0.6	3.5	3.4	3.1	3.4
OTHER EMPLOYED	1.4	2.0	1.3	2.4	1.7	2.9	1.4	2.0	3.2	2.3	2.9
SINGLE	1.3	1.5	1.3	1.1	1.3	2.9	1.5	2.2	2.6	2.3	3.9
MARRIED	2.6	2.2	2.0	4.0	2.7	3.4	1.8	2.7	3.9	4.6	3.2
DIVORCED, SEPARATED, WIDOWED	1.6	0.9	2.2	2.2	2.1	3.3	1.4	2.1	2.8	2.7	2.0
PARENTS	2.4	2.1	2.3	3.4	2.8	3.6	2.2	2.3	4.4	4.0	3.9
NORTHEAST	1.8	1.6	1.9	2.5	2.0	2.8	1.9	2.0	2.4	3.6	2.9
EAST CENTRAL	2.5	2.1	2.0	3.8	2.7	3.7	1.9	3.1	4.0	4.1	3.1
WEST CENTRAL	3.1	2.4	1.8	4.9	3.2	3.5	2.0	2.9	4.1	5.2	4.1
SOUTH	1.7	1.2	2.0	2.5	1.9	3.0	1.2	2.4	3.0	3.2	2.7
PACIFIC	2.1	2.2	1.9	2.4	2.3	3.9	1.4	2.2	4.4	3.3	3.5
METRO CENTRAL CITY	1.3	1.2	1.9	2.2	1.9	3.6	1.2	2.2	3.0	3.1	3.3
METRO SUBURBAN	2.4	2.0	1.7	3.1	2.4	3.2	1.8	2.1	3.5	4.5	3.2
NON-METRO	2.6	2.2	2.3	4.1	2.7	3.1	1.8	3.4	3.8	3.3	2.9
HOUSEHOLD INCOME											
$60,000 OR MORE	2.0	2.6	2.0	3.4	2.4	5.7	1.9	2.1	4.7	3.4	5.2
$50,000 OR MORE	2.2	2.6	1.9	3.7	2.5	5.7	2.0	2.4	4.2	3.7	5.0
$40,000 OR MORE	2.1	2.3	2.0	3.5	2.4	5.6	2.0	2.6	4.2	3.5	4.7
$30,000 OR MORE	2.3	2.3	2.0	3.5	2.8	5.4	2.2	2.5	4.1	3.5	4.5
$30,000–$39,999	2.5	2.4	2.0	3.4	3.4	5.1	2.6	2.3	4.0	3.4	4.4
$20,000–$29,999	2.5	2.3	1.9	3.2	2.7	4.3	1.7	2.7	3.8	3.2	3.4
$10,000–$19,999	2.1	1.2	1.9	2.9	2.0	3.6	1.2	2.3	2.6	2.9	2.1
UNDER $10,000	1.2	0.6	1.7	2.1	1.1	2.1	0.7	2.3	2.4	2.1	0.7
HOUSEHOLD SIZE											
1 PERSON	1.6	0.9	2.0	1.9	2.1	3.2	1.5	2.1	2.2	1.9	2.3
2 PEOPLE	2.7	1.9	2.0	4.1	2.2	3.6	1.4	3.0	3.1	4.1	2.9
3 OR 4 PEOPLE	2.1	2.0	2.0	2.5	2.4	4.8	1.9	2.1	3.9	2.5	3.5
5 OR MORE PEOPLE	1.6	1.9	1.7	3.3	2.5	4.9	1.5	2.7	4.0	3.3	3.6
CHILDREN											
NO CHILD IN HOUSEHOLD	2.1	1.7	1.8	3.1	2.2	3.5	1.3	2.5	2.8	3.1	2.8
CHILDREN UNDER 2 YEARS	2.4	1.9	2.7	2.8	2.6	6.5	2.4	2.0	[illegible]	2.8	3.8
2–5 YEARS	2.0	1.9	2.5	3.2	2.4	6.7	2.4	2.9	4.7	3.2	3.9
6–11 YEARS	2.4	1.9	2.2	3.7	2.9	6.3	2.2	2.7	4.6	3.7	3.3
12–17 YEARS	2.0	2.0	1.7	2.9	2.5	3.7	1.8	2.3	4.4	2.9	3.3
RESIDENCE OWNED	2.6	2.2	1.8	3.8	2.7	4.3	1.7	2.8	3.6	3.8	3.2
VALUE $60,000 OR MORE	2.5	2.5	1.6	3.6	2.8	4.4	1.8	2.4	3.9	3.6	3.8
VALUE LESS THAN $60,000	2.6	1.9	2.0	4.1	2.6	4.3	1.6	3.1	3.3	4.1	2.6

Source: Simmons Market Research Bureau: 1986 Study of Media and Markets

SEASONALITY STUDY/UPDATE #1—APRIL 1987
PREPARED BY THE KLEID COMPANY, INC.

The first Kleid Company Seasonality Study was issued in April 1978, covering the 12-month period from March 1977–February 1978. The primary objective was to bring together information on a month-by-month basis to track seasonal patterns. While it may not be absolute, it does reveal trends and is directional.

One comment that surfaces from time to time is that this study is based on volume and not response. True—but not true. First, most companies schedule their mailings within the time frames which historically have been most responsive. Of course there can be variations to this theme. But one decision point based on sound financial principles is critical; no company will continue to mail in volume in a season that dramatically increases the cost of doing business.

Secondly, while this analysis is based on volume, it is enhanced by a comparison to actual response. This correlation covers a representative sampling of companies within each product category.

Another thought: for multi-product companies a seasonality performance study by product could be useful in allocating mail dates. It is possible that a successful product with a high R.O.I. can continue to generate an acceptable profit even if assigned a low priority mail date. Conversely, a new product which does not yet contribute to profit could be assigned a high priority mail date in order to accelerate the R.O.I.

Source: Rose Harper/President, The Kleid Company, Inc., 1987

	SUMMARY OF FIVE YEAR AVERAGES FOR THE YEARS THROUGH:			
	1985–86		1986–87	
	TOP MONTH	#2 MONTH	TOP MONTH	#2 MONTH
BUSINESS & FINANCE	DECEMBER	JANUARY	DECEMBER	JANUARY
CULTURAL READING	DECEMBER	JUNE	DECEMBER	JUNE
GENERAL READING	DECEMBER	JULY	DECEMBER	JUNE
SELF-IMPROVEMENT	DECEMBER	SEPT./JAN.	DECEMBER	SEPT./JAN.
HOME INTEREST	JULY	DECEMBER	DECEMBER	JULY
PARENTS & CHILDREN	JULY	JANUARY	JULY	JANUARY
HOBBIES/RELATED SUBJECTS	DECEMBER	JULY	DECEMBER	JULY
ENTERTAINMENT	DECEMBER	JULY	DECEMBER	JANUARY
EDUCATIONAL/TECHNICAL/PROF.	APRIL	JUNE	APRIL	JANUARY
FUND RAISING	FEBRUARY	SEPTEMBER	FEBRUARY	SEPT./NOV.

Source: The Kleid Company, Inc., 1986

SEASONALITY STUDY
CATEGORY: BUSINESS/FINANCE
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	11.2	8.1	4.7	6.4	6.9	7.5
APRIL	4.6	5.7	7.5	7.0	5.9	6.1
MAY	6.0	6.3	4.8	6.2	6.8	6.0
JUNE	7.6	9.1	11.4	11.2	12.1	10.3
JULY	7.9	9.1	6.7	5.4	5.8	7.0
AUGUST	6.3	4.5	5.8	6.5	5.4	5.7
SEPTEMBER	9.3	7.4	6.5	7.2	8.5	7.8
OCTOBER	7.1	10.6	9.5	8.4	9.5	9.0
NOVEMBER	4.2	4.7	6.7	6.3	3.7	5.1
DECEMBER	15.6	14.7	18.3	17.9	18.0	16.9
JANUARY	13.1	13.8	8.6	11.2	11.3	11.6
FEBRUARY	7.1	6.0	9.5	6.3	6.1	7.0
TOTAL:	100%	100%	100%	100%	100%	100%

December is still the leader followed by June and January. These three months represent 41.4% of the total. October with a 9.5% brings these 4 months up to slightly over half the total volume.

SEASONALITY STUDY
CATEGORY: CULTURAL READING
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	6.4	4.1	4.2	5.8	6.1	5.3
APRIL	1.6	6.8	1.5	1.3	1.2	2.5
MAY	.4	2.2	1.8	1.5	1.0	1.4
JUNE	15.6	14.6	13.6	13.4	13.5	14.1
JULY	6.6	7.2	9.0	9.8	7.0	7.9
AUGUST	2.9	4.4	4.2	9.2	12.7	6.7
SEPTEMBER	10.4	10.1	10.5	6.4	5.2	8.5
OCTOBER	11.3	7.0	7.1	8.8	13.5	9.5
NOVEMBER	2.1	3.5	7.0	6.6	3.0	4.5
DECEMBER	33.5	25.9	22.6	27.0	28.8	27.6
JANUARY	6.4	10.7	10.5	7.5	4.8	8.0
FEBRUARY	2.8	3.5	8.0	2.7	3.2	4.0
TOTAL:	100%	100%	100%	100%	100%	100%

December is the leader by a substantial margin. October showed a healthy increase and tied with June for second place. August continued its upward trend.

Source: The Kleid Company, Inc., 1987

SEASONALITY STUDY
CATEGORY: GENERAL READING
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	11.4	10.1	4.8	8.4	6.0	8.1
APRIL	2.7	3.6	7.1	1.2	3.2	3.6
MAY	8.2	5.9	10.1	7.4	2.1	6.7
JUNE	18.2	11.3	16.0	15.4	22.1	16.6
JULY	8.6	13.3	12.3	13.9	15.1	12.6
AUGUST	3.5	2.8	2.3	5.1	7.6	4.3
SEPTEMBER	7.6	11.3	8.8	11.4	4.7	8.8
OCTOBER	0.9	3.0	1.7	3.4	4.3	2.7
NOVEMBER	0.1	1.9	2.0	2.8	8.3	3.0
DECEMBER	21.4	25.8	20.4	22.8	18.6	21.8
JANUARY	12.5	7.0	12.0	6.2	3.9	8.3
FEBRUARY	4.9	4.0	2.5	2.0	4.1	3.5
TOTAL:	100%	100%	100%	100%	100%	100%

June pulled ahead of December with a good upward trend over previous year. July also looked better. These three months account for approximately 56% of the total.

SEASONALITY STUDY
CATEGORY: SELF-IMPROVEMENT
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	5.8	6.7	4.8	6.1	5.0	5.7
APRIL	3.1	5.7	8.2	8.5	10.7	7.2
MAY	2.2	5.1	1.8	5.9	5.4	4.1
JUNE	6.8	10.8	14.2	4.9	8.0	8.9
JULY	5.1	2.6	14.9	8.1	12.2	8.6
AUGUST	10.8	11.0	3.6	3.6	10.9	8.0
SEPTEMBER	14.2	11.6	11.2	9.7	11.2	11.6
OCTOBER	7.3	7.0	6.3	6.1	3.1	6.0
NOVEMBER	2.9	1.1	1.4	1.4	.6	1.5
DECEMBER	16.3	14.9	19.5	32.7	24.3	21.5
JANUARY	14.3	14.0	10.1	11.1	6.4	11.2
FEBRUARY	11.2	9.5	4.0	1.9	2.2	5.7
TOTAL:	100%	100%	100%	100%	100%	100%

While December took a bit of a nose-dive, it is still the leader. July, August, September and April moved upward and replaced January in the #2 position.

Source: The Kleid Company, Inc., 1987

SEASONALITY STUDY
CATEGORY: HOME INTEREST
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	2.0	4.8	7.9	5.8	4.2	4.9
APRIL	4.1	3.3	6.0	7.3	6.2	5.4
MAY	1.4	2.8	1.8	1.5	2.8	2.1
JUNE	13.2	10.0	11.3	10.8	18.6	12.8
JULY	9.9	15.2	20.0	21.1	7.8	14.8
AUGUST	9.2	9.3	6.3	6.4	8.6	8.0
SEPTEMBER	7.0	12.8	6.4	5.9	4.7	7.4
OCTOBER	9.8	10.2	12.2	6.2	11.3	9.9
NOVEMBER	1.9	1.1	3.3	3.7	2.0	2.4
DECEMBER	20.4	16.0	11.7	14.6	16.9	15.9
JANUARY	15.3	10.3	10.0	10.7	12.8	11.8
FEBRUARY	5.8	4.2	3.1	6.0	4.1	4.6
TOTAL:	100%	100%	100%	100%	100%	100%

June shot up to the #1 slot replacing July. December is in #2 position; 1 January and October climbed up compared to previous year.

SEASONALITY STUDY
CATEGORY: PARENTS AND CHILDREN
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	3.2	2.4	3.0	4.2	4.3	3.4
APRIL	0.9	1.0	.8	3.1	4.3	2.0
MAY	8.5	2.2	2.7	2.4	4.3	4.0
JUNE	3.3	5.7	8.6	5.5	5.9	5.8
JULY	18.6	27.1	20.8	18.5	14.5	19.9
AUGUST	11.3	10.5	12.1	13.9	10.7	11.7
SEPTEMBER	5.0	5.7	7.9	5.9	11.1	7.1
OCTOBER	1.2	1.0	1.6	7.1	3.5	2.9
NOVEMBER	0.5	2.5	2.6	2.8	2.1	2.1
DECEMBER	17.9	11.7	12.2	10.3	18.7	14.2
JANUARY	15.2	21.4	14.2	15.0	11.1	15.4
FEBRUARY	14.4	8.8	13.5	11.3	9.5	11.5
TOTAL:	100%	100%	100%	100%	100%	100%

While December stayed in the lead—and July, August and January stayed in there—February was replaced by September with a dramatic increase. These 5 months accounted for 66% of the total.

Source: The Kleid Company, Inc., 1987

SEASONALITY STUDY
CATEGORY: HOBBIES—RELATED SUBJECTS
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	2.3	3.9	8.5	6.3	3.5	4.9
APRIL	5.0	2.2	1.6	3.6	5.2	3.6
MAY	3.0	2.2	2.4	3.4	3.0	2.8
JUNE	4.2	5.7	12.3	16.8	17.5	11.3
JULY	17.3	20.2	16.1	16.3	15.0	17.0
AUGUST	8.3	8.9	10.5	5.6	6.8	8.0
SEPTEMBER	11.7	5.1	5.6	6.2	5.0	6.7
OCTOBER	2.8	8.6	5.3	5.0	7.8	5.9
NOVEMBER	2.7	1.0	.5	1.5	1.0	1.4
DECEMBER	20.6	23.9	20.1	18.8	24.7	21.5
JANUARY	15.2	12.0	8.8	7.6	4.6	9.6
FEBRUARY	6.9	6.3	8.3	8.9	5.9	7.3
TOTAL:	100%	100%	100%	100%	100%	100%

December remained the #1 spot by an impressive margin. June again claimed to another high to retain #2 position. July seems to be holding its own. These months account for 56% of the volume.

SEASONALITY STUDY
CATEGORY: ENTERTAINMENT
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	2.7	3.2	9.3	8.4	6.8	6.1
APRIL	3.2	4.1	3.1	5.9	4.7	4.2
MAY	3.1	3.9	5.0	1.7	2.2	3.2
JUNE	8.9	4.8	7.8	4.1	10.2	7.2
JULY	13.1	10.1	9.8	12.0	9.1	10.8
AUGUST	7.3	8.2	8.2	8.4	8.1	8.0
SEPTEMBER	11.0	9.9	8.3	14.0	6.2	9.9
OCTOBER	8.9	10.1	6.9	4.6	7.9	7.7
NOVEMBER	2.2	6.0	1.7	2.7	3.9	3.3
DECEMBER	17.3	23.7	21.6	14.4	19.7	19.3
JANUARY	16.6	12.5	9.8	13.5	9.6	12.4
FEBRUARY	5.7	3.5	8.5	10.3	11.6	7.9
TOTAL:	100%	100%	100%	100%	100%	100%

December recovered from the sharp drop last year. January dropped and February showed a slight increase. June came up with the largest gain.

Source: The Kleid Company, Inc., 1987

SEASONALITY STUDY
CATEGORY: EDUCATIONAL, TECHNICAL, PROFESSIONAL
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	8.2	6.6	8.5	6.4	4.4	6.8
APRIL	6.1	3.9	13.5	40.9	28.7	18.6
MAY	3.0	5.6	8.1	3.8	4.0	4.9
JUNE	9.5	3.5	15.9	5.6	2.8	7.5
JULY	1.7	9.4	5.6	3.2	2.8	4.6
AUGUST	8.7	11.4	4.5	6.3	4.3	7.0
SEPTEMBER	8.5	10.9	7.8	8.9	3.7	8.0
OCTOBER	6.4	10.7	8.5	3.7	3.3	6.5
NOVEMBER	9.8	4.0	5.5	4.2	1.0	4.9
DECEMBER	9.9	14.6	15.0	9.9	7.7	11.4
JANUARY	19.6	12.9	3.3	4.3	32.4	14.5
FEBRUARY	8.6	6.5	3.8	2.8	4.9	5.3
TOTAL:	100%	100%	100%	100%	100%	100%

April came in with a substantial decrease which moved it to the #2 slot. But look at January! Quite a leap into first place! The other months are consistently low.

SEASONALITY STUDY
CATEGORY: FUND RAISING
MONTHLY % OF TOTAL MAILINGS

	1982–83	1983–84	1984–85	1985–86	1986–87	5-YEAR AVERAGE
MARCH	10.9	5.9	6.3	10.5	11.8	9.1
APRIL	5.5	5.5	9.2	4.9	3.3	5.7
MAY	6.0	3.6	5.6	5.1	3.6	4.8
JUNE	4.2	6.9	9.1	2.5	5.0	5.5
JULY	5.9	1.6	2.7	7.3	3.6	4.2
AUGUST	6.8	9.4	10.0	7.9	9.4	8.7
SEPTEMBER	13.3	8.3	12.7	13.0	10.6	11.6
OCTOBER	8.9	13.2	11.5	8.8	9.5	10.4
NOVEMBER	9.0	12.0	9.9	10.5	16.6	11.6
DECEMBER	10.8	14.0	4.9	6.7	6.7	8.6
JANUARY	6.4	5.6	8.2	5.3	6.0	6.3
FEBRUARY	12.3	14.0	9.9	17.5	13.9	13.5
TOTAL:	100%	100%	100%	100%	100%	100%

February dropped out of first place and was replaced by November. March and September have a fair share. On the 5-year average, it's February, September and November (TIE), followed by October.

Source: The Kleid Company, Inc., 1987

SHELL ALPERT'S DIRECT MAIL
BALLPARK-BUDGET COSTIMATOR™

The sole purpose of the Costimator Tables shown here is to aid direct marketers in the initial stages of planning cost-effective direct mail campaigns. Because of production-cost variables (labor, materials, overhead, workload, markup, etc.), Costimator prices may be as much as 20% higher or lower than actual supplier quotations. Usually, however, mailers who seek competitive bids from different vendors— and who allow enough turnaround time for economical production—will be able to meet (or likely beat) these Costimator prices.

In some cases, dramatic cost reductions can be achieved by purchasing odd-lot, remnant, or surplus paper stocks (paper often accounts for 40% to 60% of printing costs)—or by scheduling out-of-season production runs (hungry suppliers may be more interested in recovering overhead expense than making a profit). Mail marketers are well-advised to obtain quotes not only from vendors, but also from printing brokers and production-oriented agencies. (They frequently know where the real "bargains" are hiding and waiting to be exploited.)

Costimator prices do *not* include creative costs (copy, design, layout, etc.), the expense of preparing camera-ready mechanical art (color separations, printing negatives, etc.). Likewise, expenditures for original illustrations and photography must also be added.

Source: Shell Alpert,
Alpert O'Neil Tigre & Co.
June, 1987

LITHO LETTERS (NOT PERSONALIZED)
COST PER THOUSAND

					COST PER THOUSAND			
FINISHED SIZE	**ITEM**	**LEAVES/PAGES**	**STOCK**	**COLORS/SIDES**	**10M**	**50M**	**100M**	**300m**
8-½" × 11"	Letter*	1/1	60# Offset	1/1	$34.15	$15.85	$12.48	$ 8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	1/1	41.10	19.26	15.06	10.27
8-½" × 11"	Letter*	1/1	60# Offset	2/1	42.85	15.20	11.92	8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	2/1	52.83	18.08	14.33	10.27
8-½" × 11"	Letter*	1/2	60# Offset	1/2	40.53	17.47	13.97	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	1/2	48.39	20.96	16.71	12.61
8-½" × 11"	Letter*	1/2	60# Offset	2/2	67.46	18.68	14.70	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	2/2	81.18	22.34	17.73	12.61
8-½" × 11"**	Letter*	2/4	60# Offset	1/2	65.66	27.14	23.27	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	1/2	79.35	32.56	33.31	22.76
8-½" × 11"**	Letter*	2/4	60# Offset	2/2	84.87	27.59	23.79	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	2/2	99.67	33.12	28.47	22.76

*Folded twice to fit #10 envelope.
**11" × 17" folded once to 8-½" × 11".

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

COMPUTERIZED LETTERS (PERSONALIZED)
COST PER THOUSAND

MEGATYPING[a]

FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND	
					50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$146.71	$100.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	150.02	103.26
8-½" × 11"*	Letter	1/1	60# Offset	2/1	148.86	102.89
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	152.21	104.55
8-½" × 11"*	Letter	2/2	60# Offset	1/1 ea.	202.09	197.87
8-½" × 11"*	Letter	2/2	24# Rag Bond	1/1 ea.	207.17	201.47
8-½" × 11"*	Letter	2/2	60# Offset	2/1 ea.	205.10	199.86
8-½" × 11"*	Letter	2/2	24# Rag Bond	2/1 ea.	209.18	203.00

XEROX 9700[b]

FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND	
					50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 56.47	$ 47.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	59.69	50.30
8-½" × 11"*	Letter	1/1	60# Offset	2/1	57.71	49.57
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	61.31	51.76
8-½" × 11"*	Letter	1/2	60# Offset	1/2 ea.	96.45	89.05
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2 ea.	99.25	91.27
8-½" × 11"*	Letter	1/2	60# Offset	2/2 ea.	100.38	89.75
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2 ea.	103.40	92.59

IBM LASER[c]

FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND	
					50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 47.84	$ 40.01
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	57.95	49.20
8-½" × 11"*	Letter	1/1	60# Offset	2/1	51.03	41.97
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	62.35	51.07
8-½" × 11"*	Letter	1/2	60# Offset	1/2	54.19	43.72
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2	65.30	53.15
8-½" × 11"*	Letter	1/2	60# Offset	2/2	60.03	47.02
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2	74.01	57.44

*Folded to fit #10 envelope.

(a) Produced by computer driven typewriters, indistinguishable from hand-typing, superb quality.
(b) Sheetfed laser process, very clean and sharp, close to word-processing quality (but may "crack" on foldlines).
(c) Better than old-style impact processes, but still has computerized look; tractor fed, requires continuous forms.

Prices for all computerized letters include litho-printed letterheads and signatures in 1 or 2 colors. Possible charges for data conversion, reformatting tapes, special programming, embedded variables, etc., are not included.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

CARRIER ENVELOPES
(STOCK 24# WHITE WOVE
COST PER THOUSAND

NO.	SIZE	STYLE	COLOR	WINDOW	COST PER THOUSAND		
					10M	50M	100M
6-1/4	3-9/16" × 6"	Diagonal Seam	1	cello	$31.10	$15.97	$13.35
6-1/4	3-9/16" × 6"	Diagonal Seam	1	open	29.90	14.81	12.26
6-1/4	3-9/16" × 6"	Diagonal Seam	2	cello	33.44	16.47	13.76
6-1/4	3-9/16" × 6"	Diagonal Seam	2	open	32.37	15.32	12.72
9	3-7/8" × 8-7/8"	Diagonal Seam	1	cello	31.70	16.91	14.84
9	3-7/8" × 8-7/8"	Diagonal Seam	1	open	30.41	15.81	13.66
9	3-7/8" × 8-7/8"	Diagonal Seam	2	cello	33.95	17.38	15.20
9	3-7/8" × 8-7/8"	Diagonal Seam	2	open	32.72	16.17	14.05
10	4-1/8" × 9-1/2"	Diagonal Seam	1	cello	34.45	17.41	15.34
10	4-1/8" × 9-1/2"	Diagonal Seam	1	open	33.40	16.14	14.28
10	4-1/8" × 9-1/2"	Diagonal Seam	2	cello	37.05	17.88	15.75
10	4-1/8" × 9-1/2"	Diagonal Seam	2	open	35.68	16.59	14.56
—	6" × 9"	Booklet, open side	1	cello	74.00	49.71	47.10
—	6" × 9"	Booklet, open side	1	open	72.63	48.44	45.85
—	6" × 9"	Booklet, open side	2	cello	76.60	50.38	47.65
—	6" × 9"	Booklet, open side	2	open	75.28	49.12	46.25

Note: For closed-face (no window) envelope, deduct $1.25/M from open-window price.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

REPLY ENVELOPES
STYLE = DIAGONAL SEAM
STOCK = 24# WHITE WOVE
COST PER THOUSAND

NO.	SIZE	ITEM	COLOR	COST PER THOUSAND		
				10M	50M	100M
6-1/4	3-9/16" × 6"	BRE	1	$30.02	$14.96	$12.16
6-1/4	3-9/16" × 6"	BRE	2	32.47	15.26	12.56
7-3/4	3-7/8" × 7-1/2"	BRE	1	30.69	15.12	12.43
7-3/4	3-7/8" × 7-1/2"	BRE	2	33.02	15.58	12.79
10	4-1/8" × 9-1/2"	BRE	1	33.47	16.26	14.22
10	4-1/8" × 9-1/2"	BRE	2	35.97	16.74	14.63

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

REPLY CARDS/ORDER FORMS
COST PER THOUSAND

FINISHED SIZE	ITEM	STOCK	COLORS/SIDES	COST PER THOUSAND		
				10M	50M	100M
5-1/2" × 3-1/2"	BRC	7 pt. Hi-Bulk	1/2	$25.75	$11.15	$ 9.25
5-1/2" × 3-1/2"	BRC	7 pt. Hi-Bulk	2/2	39.40	14.75	12.05
8-1/2" × 5-1/2"	BRC	7 pt. Hi-Bulk	1/2	40.55	19.10	15.70
8-1/2" × 5-1/2"	BRC	7 pt. Hi-Bulk	2/2	68.40	24.25	20.65
5-1/2" × 3-1/2"	Order Form	60# Offset	1/2	23.95	10.30	8.35
5-1/2" × 3-1/2"	Order Form	60# Offset	2/2	37.30	13.70	11.10
8-1/2" × 5-1/2"	Order Form	60# Offset	1/2	38.40	17.75	14.35
8-1/2" × 5-1/2"	Order Form	60# Offset	2/2	64.50	22.60	18.80

Souce: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

SELF-MAILING FORMATS
COST PER THOUSAND

					COST PER THOUSAND		
FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	10M	50M	100M
3-½" × 6"	Double Card	2/4	65# Cover	1/2	$54.88	$20.71	$16.95
3-½" × 6"	Double Card	2/4	65# Cover	2/2	69.55	22.77	18.07
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	1/2	52.32	28.26	21.76
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	2/2	104.73	30.13	23.11
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	1/2	62.32	28.26	21.76
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	2/2	104.73	30.13	23.11
8-½" × 11"***	Self-Mailer	2/4	65# Cover	1/2	94.10	39.70	36.72
8-½" × 11"***	Self-Mailer	2/4	65# Cover	2/2	128.06	45.39	38.00
8-½" × 11"***	Self-Mailer	2/4	65# Cover	4/2	192.60	59.32	48.62

* 8-½" × 11" folded twice.
** 8-½" × 11" folded once.
*** 11" × 17" folded once.

Souce: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

BROCHURES, FOLDERS, ETC.
COST PER THOUSAND

					COST PER THOUSAND			
FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	10M	50M	100M	300M
3-½" × 6"	Folder	2/4	60# Coated	1/2	$38.00	$27.50	$22.30	---
3-½" × 6"	Folder	2/4	60# Coated	2/2	66.75	34.50	26.05	---
5-½" × 8-½"	Brochure	2/4	60# Offset	1/2	40.10	18.93	14.90	---
5-½" × 8-½"	Brochure	2/4	60# Offset	2/2	68.35	19.87	15.65	---
5-½" × 8-½"	Brochure	2/4	60# Offset	4/2	99.40	34.40	22.15	---
8-½" × 11"	Brochure	2/4	60# Offset	1/2	65.85	27.85	24.25	20.72
8-½" × 11"	Brochure	2/4	60# Offset	2/2	83.15	28.30	24.95	21.05
8-½" × 11"	Brochure	2/4	60# Offset	4/2	101.50	37.40	31.25	24.25
8-½" × 11"		*/8	60# Coated	2/2	154.50	86.50	72.00	57.47
8-½" × 11"	Broadside	*/8	60# Coated	4/2	223.20	105.40	80.10	60.10
8-½" × 11"	Broadside	*/8	80# Coated	2/2	171.70	98.00	79.95	64.45
8-½" × 11"	Broadside	*/8	80# Coated	4/2	240.25	118.20	89.35	66.80

* 22" × 17" folded twice to form eight 8-½" × 11" panels; same as 8-page booklet, but not trimmed & stitched.

Souce: Shell Alpert, Alpert O'Neil Tigre & Co

BIND-IN REPLY FORMATS
(2 PAGES & ENVELOPE)
COST PER THOUSAND

				COST PER THOUSAND		
FLAT SIZE	FINISHED SIZE	ITEM	STOCK	10M	50M	100M
8-½" × 13"	8-½" × 6-½"	Bind-In Env./Ord. Form	50# Offset	$50.16	$18.98	$13.46
8-½" × 17"	8-½" × 8-½"	Bind-In Env./Ord. Form	50# Offset	51.09	34.22	23.37

NOTE: Press-finished bind-ins (such as above) are available in numerous sizes and styles, with one or two made-up envelopes and two-page or multi-page order forms and promo panels; can be printed and bound, in line, with booklets or catalogs on web presses, or stitched-in during separate bindery operation.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

LETTERSHOP OPERATIONS
COST PER THOUSAND

INSERTED IN #10 ENVELOPES*	**COST PER THOUSAND**	
	20-25M	**OVER 25M**
ONE ITEM	$26.00	$22.00
TWO ITEMS	26.00	22.00
THREE ITEMS	26.00	22.00
FOUR ITEMS	30.00	24.50
FIVE ITEMS	30.00	24.50
SIX ITEMS	30.00	24.50
INSERTED IN 6" × 9" ENVELOPES*		
ONE ITEM	$28.00	$25.50
TWO ITEMS	28.00	25.50
THREE ITEMS	28.00	25.50
FOUR ITEMS	36.00	29.00
FIVE ITEMS	36.00	29.00
SIX ITEMS	36.00	29.00

POSTAL METERING @ $2/M.

MACHINE STAMP AFFIXING @ $5/M.

*Includes insertion of prefolded elements, labeling, sealing, tieing, bagging and mailing via regular third-class bulk rate. (Assuming 4-up Cheshire labels supplied in Zip Code sequence.)

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

MISCELLANEOUS DIRECT MAIL ITEMS
COST RANGES

	COST RANGE
KEYPUNCHING NAMES/ADDRESSES (FROM HARD COPY) TO PRODUCE COMPUTER MAILING LIST	$115/M—$150/M
ABOVE WITH VERIFICATION	$195/M—$280/M
TYPE-AND-SCAN NAMES/ADDRESSES TO PRODUCE COMPUTER MAILING LIST	$ 40/M—$ 75/M
PRINT AND AFFIX PEEL-OFF CARDS, THIN GAUGE	$ 55/M—$ 95/M
EMBOSS TYPE OR LOGO, BLIND	$ 9/M—$ 20/M
EMBOSS TYPE OR LOGO, FOIL	$ 14/M—$ 30/M
EMBOSSING DIES, SMALL	$200—$450 ea.
SPECIAL ENVELOPE WINDOW DIES	$225—$475 ea.
SPECIAL "LINED" CHESHIRE LABELS	$ 5/M—$ 7/M
PIGGYBACK (PEEL-OFF LABELS)	$ 6/M—$ 8/M
SERIAL NUMBERING	$ .70/M—$.95/M

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

DIRECT MAIL
WORKING BUDGET DIRECT MAIL SPECIMEN

Great North American Widget Corporation
Consumer Solo-Mailing Campaign
Two-for-One Widget Offer
(Approx. Net Quantity, 100,000 [100M]; Scheduled Drop Date, 7/30/87)
WORKING BUDGET
Prepared by Frank N. Stine, Mar. 15, 1987

A. CREATIVE		
1. Preliminary roughs and dummies	$ 200.00	
2. Copy, including revises	2,750.00	
3. Tight comp. layouts	750.00	
4. Contingency reserve	355.00	
TOTAL	$ 4,055.00	(5.9%)
B. ART & PREPARATION		
1. Mechanical art & preparation	$ 1,000.00	
2. Typography, including AAs	1,250.00	
3. Repros, pos, prints, reading copies, etc.	175.00	
4. Line illustrations (7)	280.00	
5. Photography	900.00	
6. Model fees	350.00	
7. Color separations (2)	900.00	
8. Colorkey proofs	250.00	
9. Stripped-in print films	380.00	
10. Contingency reserve	1,000.00	
TOTAL	$ 6,485.00	(9.5%)
C. PRINTING PRODUCTION		
1. 4-pg. litho let., 8-½ × 11", 2 colors* (105M @ $23.79/M)	$ 2,497.95	
2. 16-pg booklet, 5-½" × 8-½", 4 colors* (105M @ $90.50/M)	9,502.50	
3. Reply card, 3-½" × 5-½", 2 colors (105M @ $12.05/M)	1,265.25	
4. BRE, #7-¾, one color (105M @ $12.27/M)	1,288.35	
5. Outer env., 6" × 9", 2 color, cello wind. (105M @ $46.75/M)	4,908.75	
6. Contingency reserve	2,000.00	
TOTAL	$21,462.80	(31.3%)
D. MAILING LISTS		
1. Mailorder respondents (tape) 70M* @ $85/M	$ 5,950.00	
2. Active magazine subs (tape) 45M* @ $55/M	2,475.00	
3. Contingency reserve	1,000.00	
TOTAL	$ 9,425.00	(13.8%)
E. COMPUTER PROCESSING		
1. Reformatting, data conversion, etc.	$ 350.00	
2. Merge/Purge (115M @ $9.25/M)	1,063.75	
3. Code and run 4-up labels (100M @ $3.50/M)	350.00	
4. Reports & directory printout	175.00	
5. Contingency reserve	400.00	
TOTAL	$ 2,338.75	(3.4%)
F. LETTERSHOP PRODUCTION		
1. Insert, label, sort, mail, etc. (100M @ $28.25)	$ 2,825.00	
2. Affix bulk-rate stamps (100M @ $5/M)	500.00	
3. Audit & pull samples (100M @ $1.75/M)	175.00	
4. Contingency reserve	250.00	
TOTAL	$ 3,750.00	(5.5%)
G. ALLOCATED FEES		
1. Ad Agency	$ 6,000.00	
2. Consultant	1,500.00	
3. Contingency reserve	1,000.00	
TOTAL	$ 8,500.00	(12.4%)
H. POSTAGE		
1. 100M @ $125/M	$12,500.00	(18.2%)
BUDGETED GRAND TOTAL	$68,516.55	(100%)

*Folded NOTE: Freight charges included
Budgeted Total without Cont. Reserves = $62,511.55.
Cost-per-M range, high/low = $685.17/M—$525.12/M

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

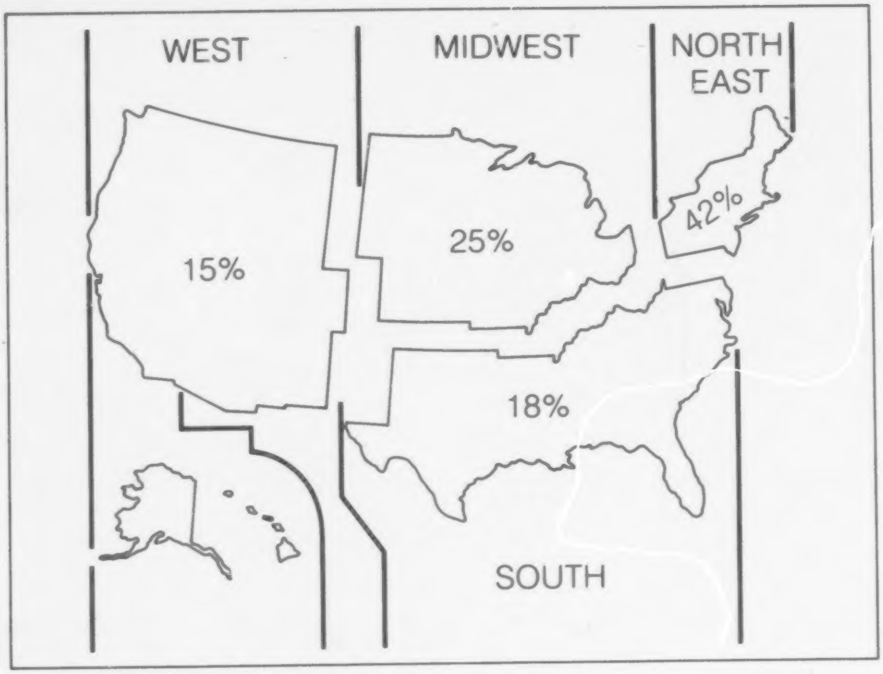
1985 SALES VOLUME OF DIRECT MARKETERS

The following index ranks 100 U.S. mail order companies in descending order according to mail order sales. The sales volume figures presented here are expressed as decimal fractions in millions of dollars. The majority of mail order volume figures contained in this index are estimates developed by Maxwell Sroge Publishing.

COMPANY	**MAIL ORDER SALES (IN MILLIONS)**
UNITED SERVICES AUTOMOBILE ASSOC.	2,100.00
READER'S DIGEST	1,350.00
GEICO	1,078.00
SPIEGEL	847.00
FINGERHUT COMPANIES	786.00
COLONIAL PENN	750.00
DELUXE CHECK PRINTERS	700.00
FINGERHUT CORP.	699.00
SEARS, ROEBUCK	695.00
SENTRY INSURANCE	554.25
J.C. PENNEY	510.00
ADVO-SYSTEM	449.90
FRANKLIN MINT	445.00
SIGNATURE DIRECT RESPONSE	415.00
TIME BOOKS GROUP	410.00
MCGRAW-HILL	373.00
NATIONAL GEOGRAPHIC SOCIETY	365.00
TIME-LIFE BOOKS	335.00
NEW PROCESS	329.70
AMERICAN EXPRESS	327.00
PRENTICE-HALL	325.20
BRYLANE MAIL ORDER	306.50
THE LIMITED	306.00
NATIONAL LIBERTY	302.00
COLUMBIA HOUSE	290.00
DECDIRECT	290.00
COMBINED INTERNATIONAL	228.00
LANDS' END	227.16
L. L. BEAN	219.60
HANOVER HOUSE	212.00
AVON DIRECT RESPONSE	205.20
ALLSTATE INSURANCE	200.00
GENERAL NUTRITION	200.00
WANG DIRECT	200.00
DREYFUS	175.84
HENRY SCHEIN	175.00
FIELD PUBLICATIONS	164.00
PUBLISHERS CLEARING HOUSE	162.00
ENCYCLOPAEDIA BRITANNICA	160.00
NEW ENGLAND BUSINESS SERVICE	158.10
DOUBLEDAY & COMPANY	155.00
QUILL	150.00
RCA MUSIC SERVICE	150.00
FOSTER & GALLAGHER	139.15
GROLIER	133.00
COMMERCE CLEARING HOUSE	130.70
BEAR CREEK	130.00
INMAC	124.39
BUREAU OF NATIONAL AFFAIRS	119.50
LILLIAN VERNON	119.00
SPENCER GIFTS	118.00
BOOK-OF-THE-MONTH CLUB	115.00
WORLD BOOK	115.00
GENERAL MILLS	103.90
ARIZONA MAIL ORDER	103.00
CPS DIRECT	101.64
AMBASSADOR INTERNATIONAL	101.60
CURRENT	100.00
HABAND	100.00
HEWLETT PACKARD DIRECT	100.00
RODALE PRESS	98.00
PHYSICIANS MUTUAL INSURANCE	96.60
MEREDITH	95.00
PITNEY BOWES	95.00
SPRING HILL NURSERIES	93.00
47TH STREET PHOTO	88.00
GARDEN WAY	87.50
COMP-U-CARD	87.47
BRADFORD EXCHANGE	85.00
G-R-I-	83.70
DAY-TIMERS	80.00
THE LITERARY GUILD	80.00
SWISS COLONY	80.00
STARCREST OF CALIFORNIA	78.00
WRIGHT LINE	77.00
TRANS NATIONAL	75.00
CONROY-LAPOINTE	70.00
CABELA'S	70.00
HARRY & DAVID	70.00
MILLIPOR	70.00
HORCHOW MAIL ORDER	67.76
U.S. GENERAL SUPPLY	65.00
THE SHARPER IMAGE	65.00
SAFECARD	64.81
JACKSON & PERKINS	61.00
ROAMAN'S	60.50
DOUBLEDAY BOOK CLUB	60.00
IBM DIRECT	60.00
RELIABLE	60.00
CAROL WRIGHT	59.90
WALTER DRAKE	58.69
C.O.M.B.	57.60
AXIA	57.50
EDDIE BAUER	56.90
XEROX	56.50
SECURITY PACIFIC	55.25
BASS PRO SHOPS	55.00
CML GROUP	55.00
BLACK BOX	53.00
MACMILLAN BOOK CLUBS	53.00

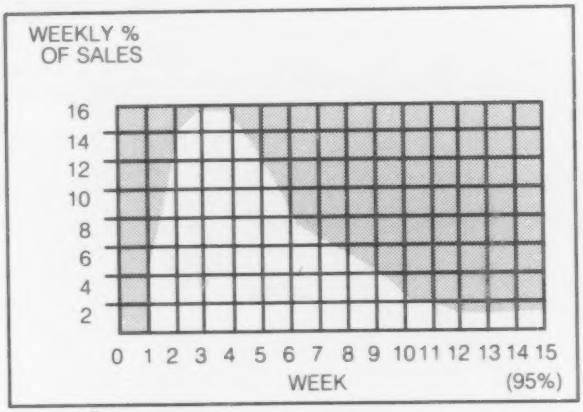
Source: NTC Business Books, *Inside The Leading Mail Order Houses*, Third Edition 1987

LOCATION OF CATALOG COMPANIES
(PERCENTAGE AMONG 4065 CATALOGS EVALUATED)



Source: Strategic Futures Inc. 1985

TYPICAL CATALOG RESPONSE CURVE

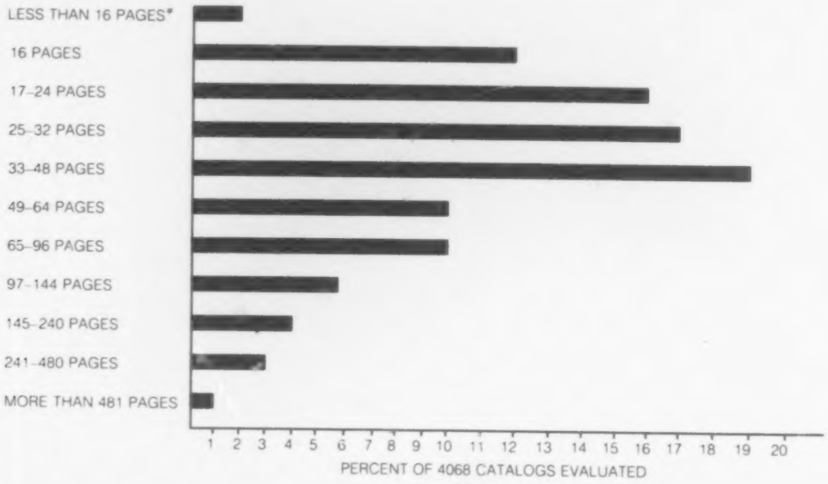


Developing response curves, which indicate the percent of sales for each week of the catalog response period, can be an effective way to gauge how much inventory is required for any given product. Often, the first week's response can give a reliable indication of final sales, especially for hot-selling items that will need to be reordered immediately.

Source: Fenvessy and Silbert, 1985

CATALOG TOTAL PAGING

The following two charts are based on quantitative information obtained through mail and telephone surveys and also from analyses of over 4,000 actual catalogs gathered by Strategic Futures Inc., a New York-based consulting firm in 1985.



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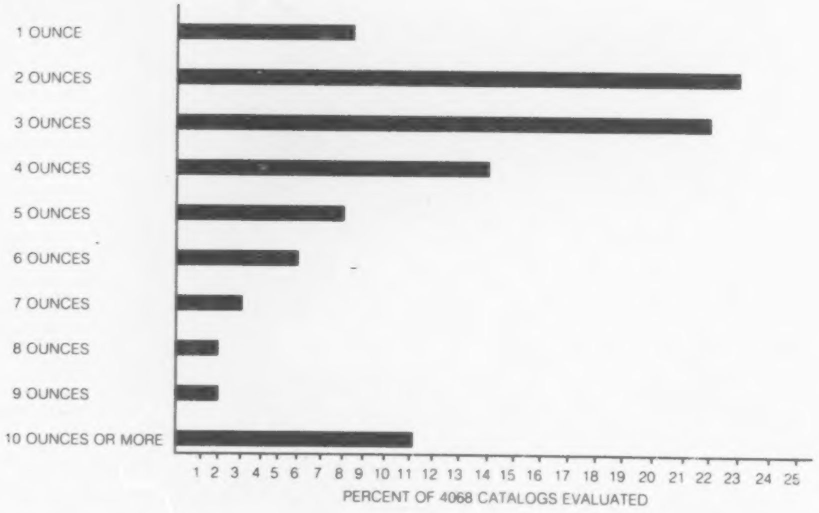
*A basic definition for the study was that a "catalog" contains 16 or more bound pages. Thus, catalogs with less than 16 pages were intentionally excluded, unless there were special circumstances that led to including them.

WEIGHT PER CATALOG



Source: Strategic Futures Inc. 1985

INCREASED PROFIT BASED ON SALES/M

INCREASE IN CATALOG PAGES	32-PAGE SALES OF $1,000/M	32-PAGE SALES OF $3,000/M
32 TO 40	$27.75	$165.25
40 TO 48	20.88	144.63
48 TO 56	0.67	114.06
56 TO 64	− 3.38	101.94
64 TO 72		92.02
72 TO 80		83.74
80 TO 88		76.88
88 TO 96		69.56
96 TO 104		65.31
104 TO 112		60.62
112 TO 120		55.64
120 TO 128		52.74
TOTAL	$48.63*	$1,082.39

Source: Lawson Hill Catalog Marketing 1985

*TOTAL PROFIT FOR INCREASING CATALOG TO 48 PAGES

COMPARING PROFITS PER THOUSAND CATALOGS SHOWS THAT, FOR A 32-PAGE CATALOG WITH SALES PER THOUSAND OF $1,000, THE TOTAL PROFIT FOR INCREASING THE SIZE TO 48 PAGES IS $48.63. AT THAT POINT, AN INCREASE IN SIZE CEASES TO BE PROFITABLE. AT SALES PER THOUSAND OF $3,000, HOWEVER, THAT 32-PAGE CATALOG CAN INCREASE TO 128 PAGES AND STILL BE PROFITABLE. THIS TABLE ASSUMES A CONTRIBUTION TO PROFIT AND OVERHEAD OF 55 PERCENT AFTER DEDUCTING MERCHANDISE AND VARIABLE OPERATING COSTS AND THAT SALES INCREASE BY 1/2 THE PERCENT INCREASE IN THE NUMBER OF PAGES.

INCREMENTAL PROFIT

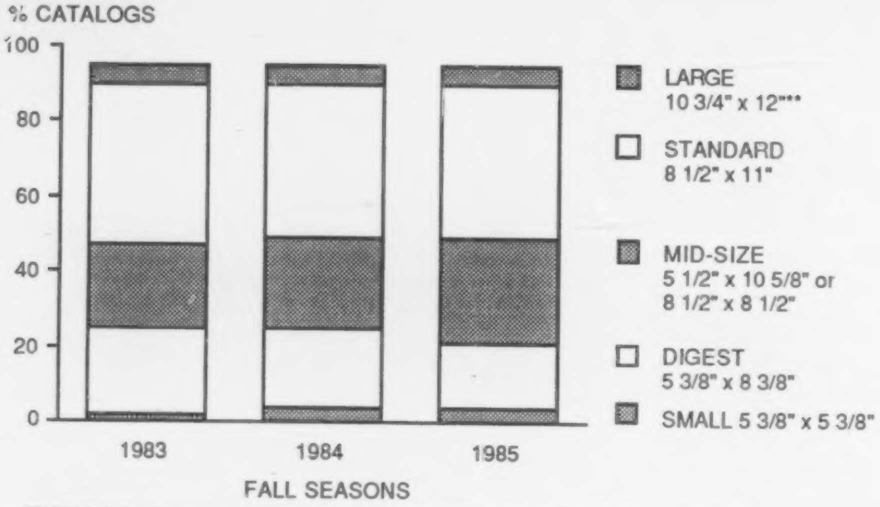
INCREASE IN CATALOG PAGES	SALES (S) AT 32 PAGES (V) C AT 32 PAGES	1 $2,000/M 45% $41/M	2 $4,000/M 45% $41/M	3 $2,000/M 35% $41/M	4 $2,000/M 60% $41/M	5 $2,000/M 45% $31/M
32 TO 40	$1,125,000	$40,250	$109,000	$57,750	$21,500	$45,250
40 TO 48	1,237,500	33,375	95,250	44,625	16,500	38,375
48 TO 56	1,340,583	20,696	77,392	31,004	5,234	25,696
56 TO 64	1,436,300	16,052	69,282	25,516	1,856	21,052
64 TO 72	1,526,069	12,812	62,742	21,687	−500	17,812
72 TO 80	1,610,766	10,046	57,163	18,419		15,046
80 TO 88	1,691,304	7,780	52,588	15,740		12,780
88 TO 96	1,768,089	5,370	47,705	12,891		10,370
96 TO 104	1,841,819	3,960	44,856	11,225		8,960
104 TO 112	1,912,728	2,417	41,742	9,402		7,417
112 TO 120	1,981,013	1,080	39,045	7,823		6,080
120 TO 128	2,046,981	−185	36,491	6,326		4,815

Column 1 shows the additional profit (P) for adding eight pages, when sales increase by 1/2 of the percent of the number of increased pages, when the sales/M are $2,000, when merchandise and variable operating costs (V) total 45 percent, and the additional catalog cost (C) is $41/M at 32 pages. The other columns are the same as Column 1, with the following exceptions: In Column 2, sales (S) equal $4,000/M at 32 pages. In Column 3, merchandise and variable operating costs (V) total 35 percent. In Column 4, V equals 60 percent. In Column 5, additional catalog costs are $31/M at 32 pages.

Given the conditions of our example, maximum profit occurs when the catalog reaches 120 pages. Beyond 120 pages, profit diminishes with an increase in the size of the catalog.

Source: Lawson Hill Catalog Marketing 1985

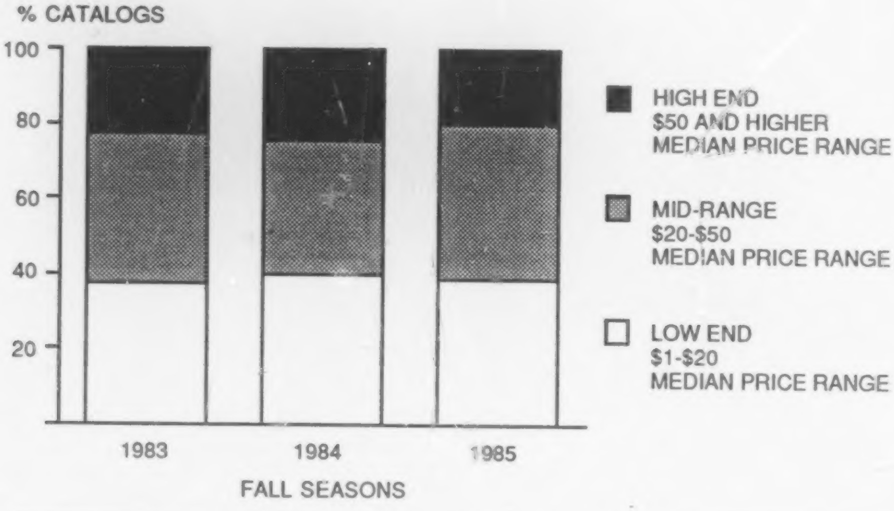
PAGE SIZE—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.
**Note: All inch dimensions are approximate.

Source: Kestnbaum & Company, 1986

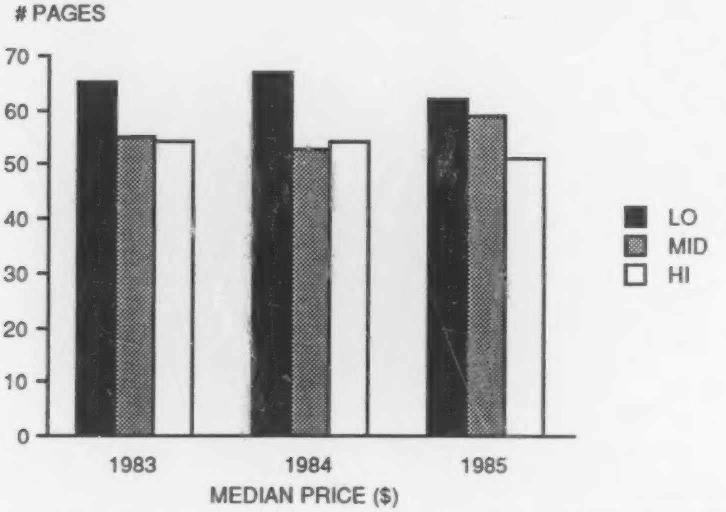
MEDIAN PER ITEM PRICE—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

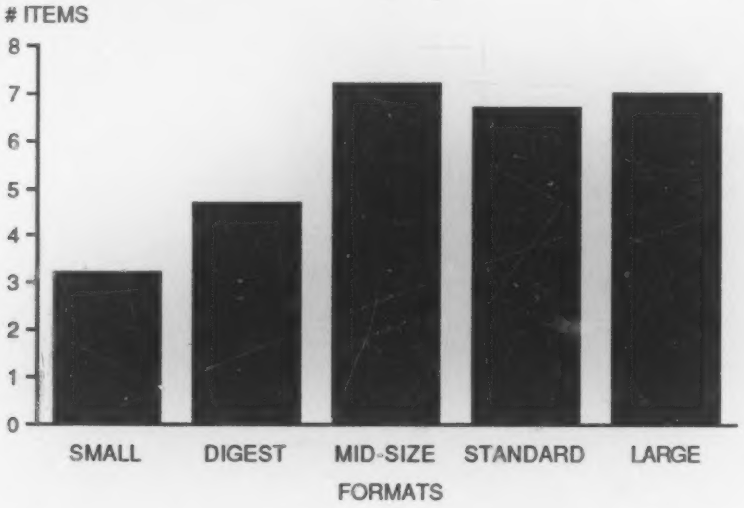
NUMBER OF PAGES BY PRICE RANGE—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

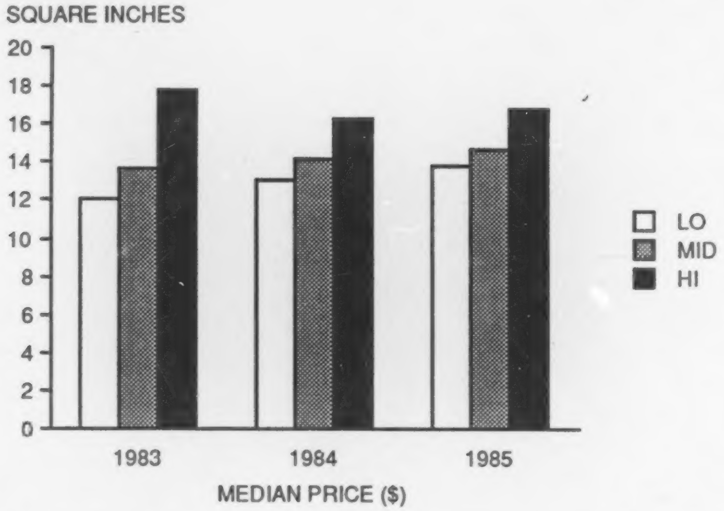
ITEMS PER PAGE FOR FIVE PAGE SIZES—1985*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

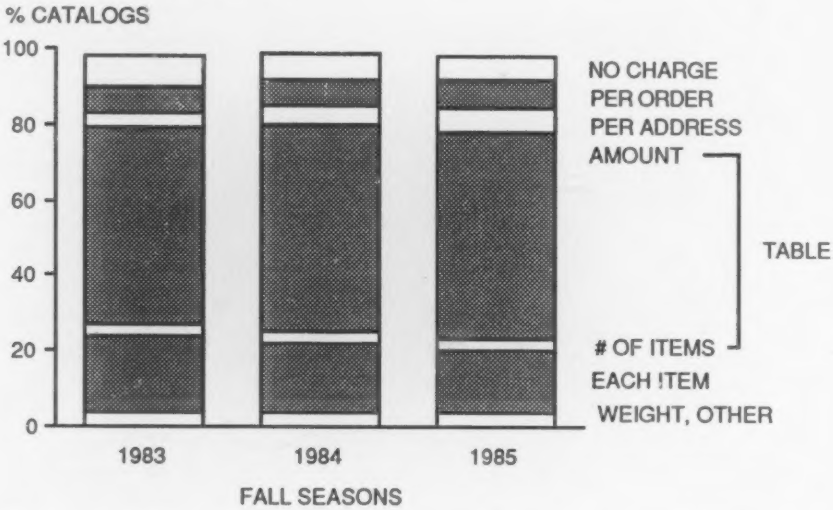
SPACE PER ITEM—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

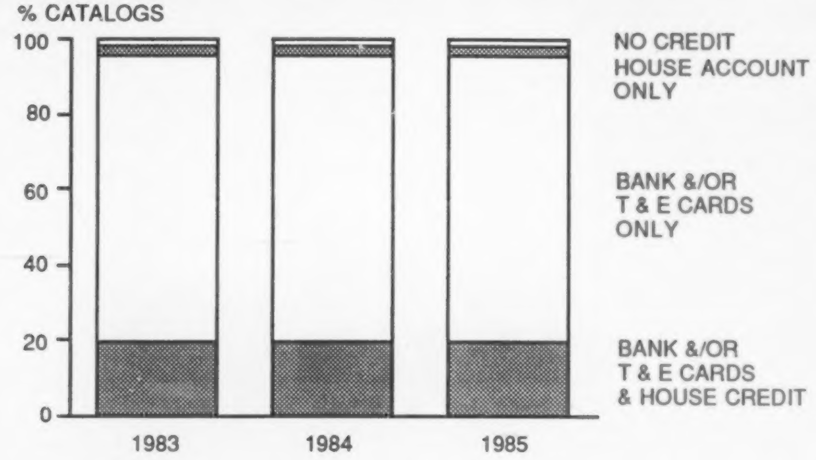
SHIP CHARGE BASIS—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

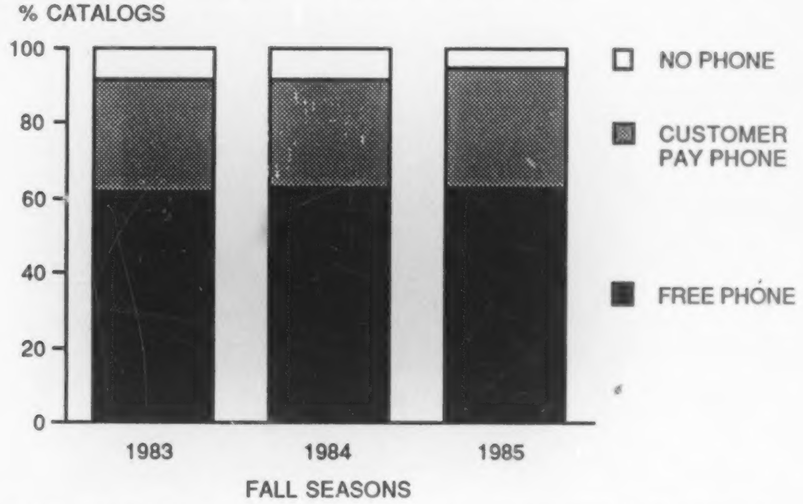
CHARGE CARD AND HOUSE ACCOUNT CREDIT—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

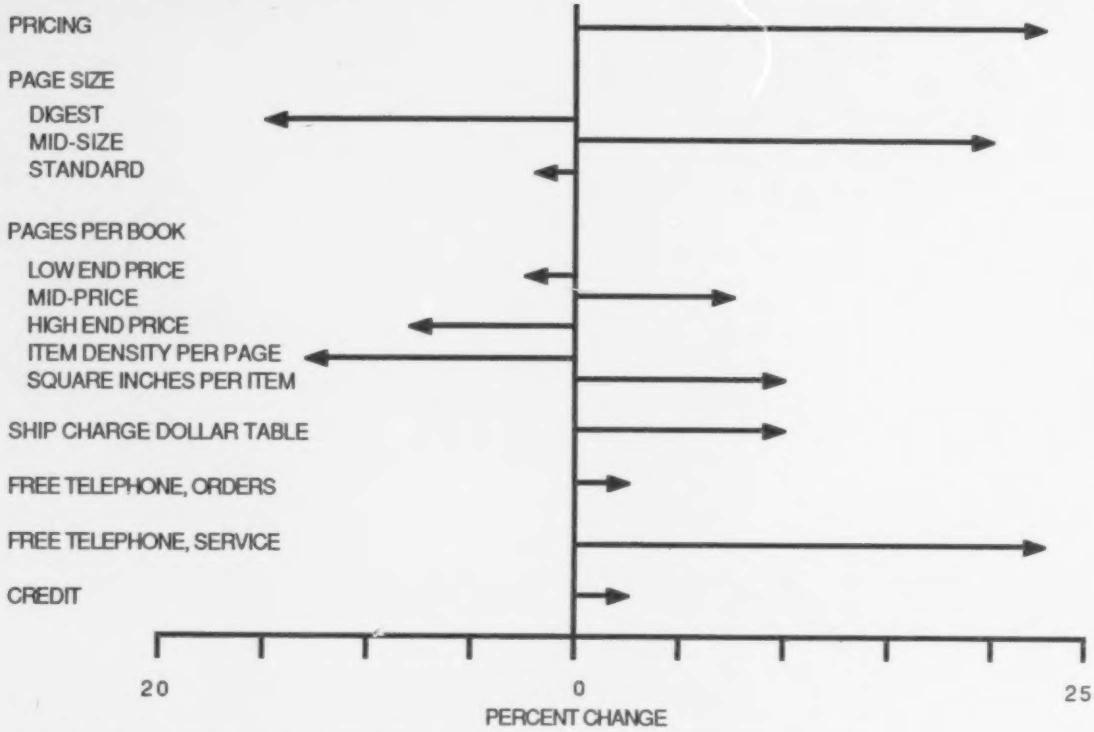
ORDER PLACEMENT TELEPHONE SERVICE—1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

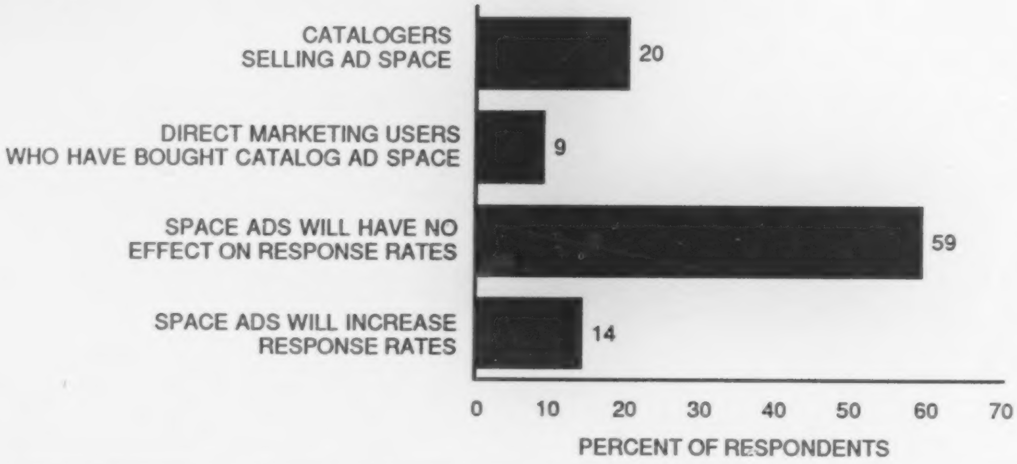
SUMMARY OF TRENDS 1983–85*



*CatalogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

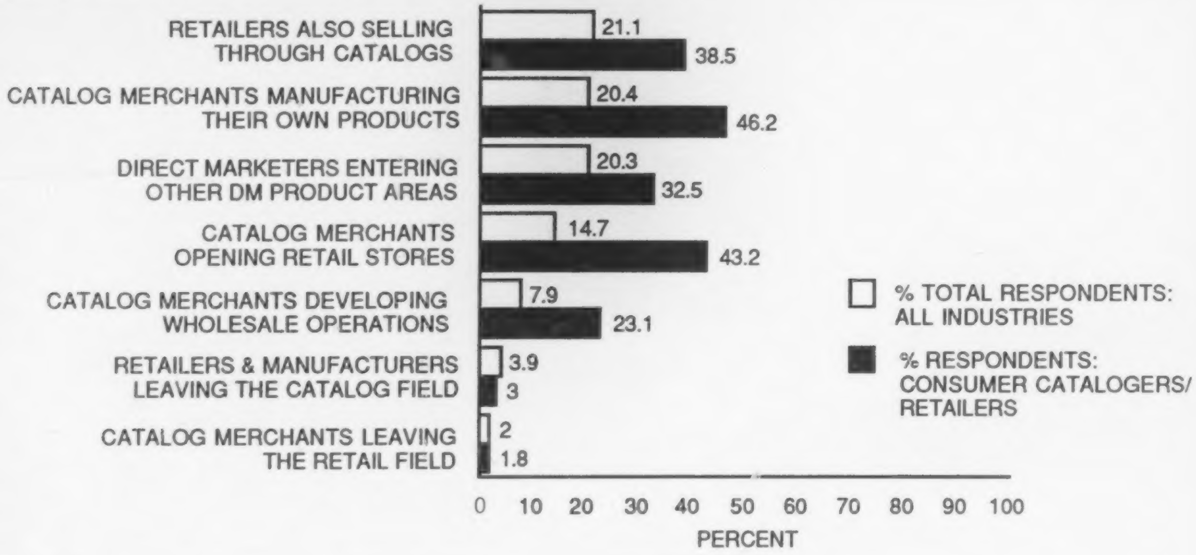
Source: Kestnbaum & Company, 1986

DIRECT MARKETERS' VIEWS ABOUT SPACE ADVERTISING IN CATALOGS



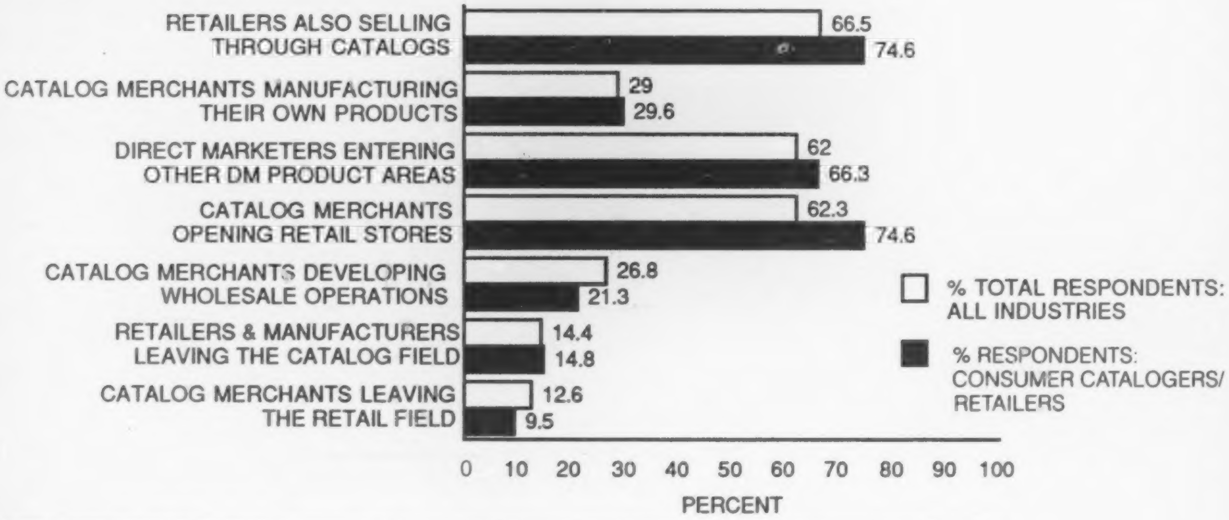
Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

CATALOG DIVERSIFICATION: CURRENT TRENDS



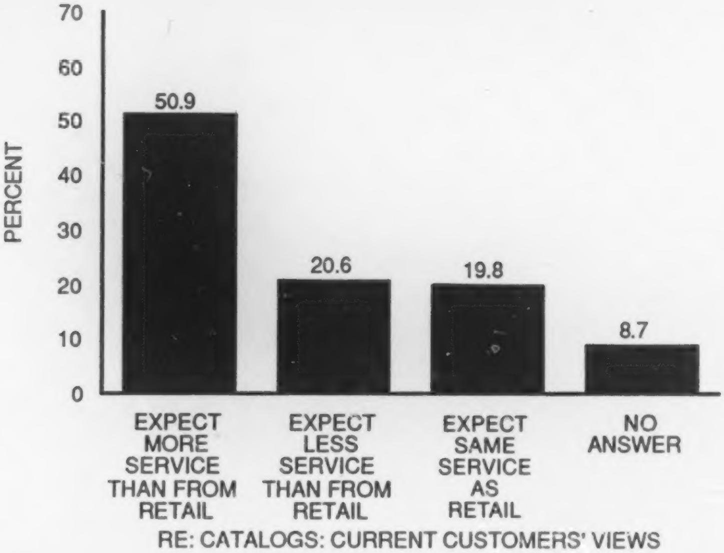
Source: DMA Research Department & Marketing Council, Direct Marketing Practices and Trends Survey, 1986

CATALOG DIVERSIFICATION: FUTURE TRENDS



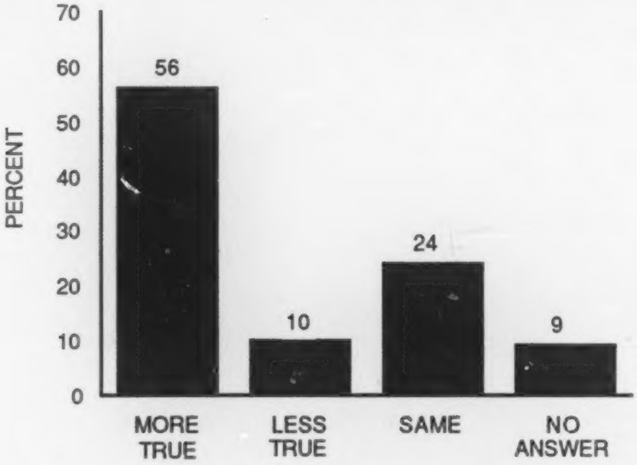
Source: DMA Research Department & Marketing Council, Direct Marketing Practices and Trends Survey, 1986

DIRECT MARKETERS' VIEW OF CURRENT CUSTOMER EXPECTATIONS REGARDING CATALOG SERVICE VS. RETAIL SERVICE



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

DIRECT MARKETERS' VIEW OF CUSTOMER EXPECTATIONS REGARDING CATALOG SERVICE VS. RETAIL SERVICE NOW VS. 5 YRS. AGO

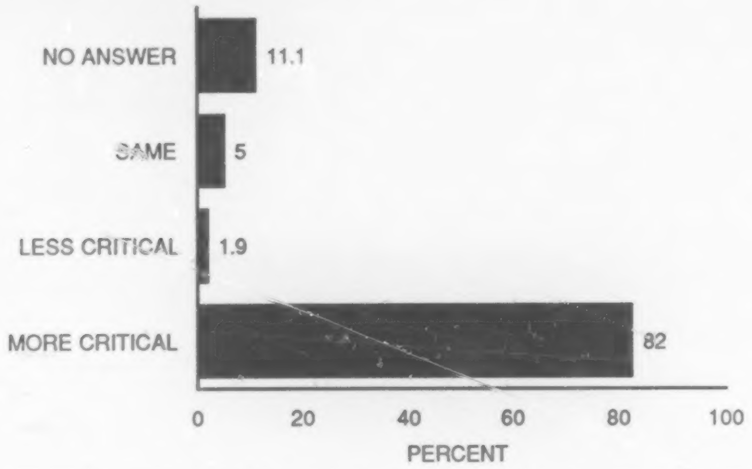


CUSTOMERS EXPECT MORE SERVICE FROM CATALOGS VS. RETAILERS NOW VS. 5 YEARS AGO

Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

DIRECT MARKETERS' VIEW OF FUTURE CUSTOMER EXPECATIONS REGARDING CATALOG SERVICE VS. RETAIL SERVICE:

THE LEVEL OF CATALOG SERVICE BECOMING MORE OR LESS CRITICAL IN THE FUTURE



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey 1986

CATALOG COST RANGES

(60# COATED STOCK)

FINISHED SIZE	LEAVES/ PAGES	COLORS/ SIDES	COST PER THOUSAND		
			50M	100M	300M
8-½" × 11"	16/32	2/2	206.50	179.55	160.75
8-½" × 11"	16/32	4/2	287.05	233.35	197.70
8-½" × 11"	24/48	2/2	303.00	267.40	243.25
8-½" × 11"	24/48	4/2	395.50	328.60	283.10
8-½" × 11"	32/64	2/2	392.80	344.55	309.80
8-½" × 11"	32/64	4/2	497.25	417.25	362.85
8-½" × 11"	48/96	2/2	561.60	491.80	447.90
8-½" × 11"	48/96	4/2	684.86	573.50	503.70
5-½" × 8-½"	16/32	2/2	134.20	116.70	104.80
5-½" × 8-½"	16/32	4/2	185.85	152.15	127.90
5-½" × 8-½"	24/48	2/2	197.55	174.87	158.42
5-½" × 8-½"	24/48	4/2	255.25	213.35	184.20
5-½" × 8-½"	32/64	2/2	285.95	253.75	229.55
5-½" × 8-½"	32/64	4/2	372.50	308.50	264.65

NOTE: All above are self-cover, saddle-stiched; prices do not include bound-in order cards/forms/envelopes.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

INBOUND TELEMARKETING APPLICATIONS

SERVICE BUREAU

n = 64

INBOUND APPLICATION	INVOLVED	RANKED FIRST	TOP 2 RANK
ORDER TAKING	81%	53%	75%
FULL ACCOUNT MANAGEMENT SERVICE	56	8	8
DEALER LOCATOR	69	6	17
CUSTOMER SERVICE	67	3	19
INCREASING/UPGRADING DOLLAR ORDER SIZE	81	3	17
HANDLING COMPLAINTS	58	–	3
FUND RAISING PLEDGES	47	–	–
OTHER (ANSWERING QUESTIONS, SOLVING PROBLEMS, ETC.)	42	22	36
NOT STATED	3	6	6

IN-HOUSE OPERATION

n = 707

INBOUND APPLICATION	INVOLVED	RANKED FIRST	TOP 2 RANK
ORDER TAKING	87%	51%	66%
CUSTOMER SERVICE	88	18	41
ANSWERING QUESTIONS	97	11	32
SOLVING PROBLEMS	88	5	16
FULL ACCOUNT MANAGEMENT SERVICE	49	4	8
HANDLING COMPLAINTS	90	3	11
UPGRADING ORDER	68	3	15
DEALER LOCATOR	40	1	3
OTHER	6	1	3

Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

OUTBOUND TELEMARKETING APPLICATIONS

SERVICE BUREAU

N = 64

OUTBOUND APPLICATION	INVOLVED	RANKED FIRST	TOP 2 RANK
DIRECT SELLING	86%	56%	66%
FUND RAISING	67	17	19
SCREENING/QUALIFYING SALES LEADS	86	16	58
SETTING APPOINTMENTS	77	2	16
FULL ACCOUNT MANAGEMENT SERVICE	50	2	8
MARKET RESEARCH	80	2	16
CREDIT CHECKS	20	–	–
COLLECTIONS	19	–	–
OTHER	8	2	3
NOT STATED	3	5	5

Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

OUTBOUND TELEMARKETING APPLICATIONS
IN-HOUSE OPERATION

OUTBOUND APPLICATIONS	INVOLVED	RANKED FIRST	TOP 2 RANK
DIRECT SELLING	86%	58%	67%
SCREENING/QUALIFYING SALES LEADS	72	16	40
SETTING APPOINTMENTS	40	6	12
FULL ACCOUNT MANAGEMENT SERVICE	45	6	11
OPENING NEW ACCOUNTS	72	4	19
HANDLING SMALLER ACCOUNTS	67	2	12
MARKET RESEARCH	48	2	10
HANDLING GEOGRAPHIC REMOTE ACCOUNTS	62	2	8
CREDIT CHECKS	23	1	1
COLLECTIONS	24	–	3
OTHER	7	2	5

Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

SERVICE BUREAU CLIENT INDUSTRIES

Of the 64 service bureaus surveyed, fourteen (or 22 percent) specialize in serving clients in a single industry or product/service area. The industries vary but include a few specializing in fund raising, and some involved solely in pharmaceuticals, hi-tech products, financial services, or publishing.

Three in four have clients who come from many industry or product areas. Asked to name their top three client industries in terms of business volume, the executives specified a variety of industries.

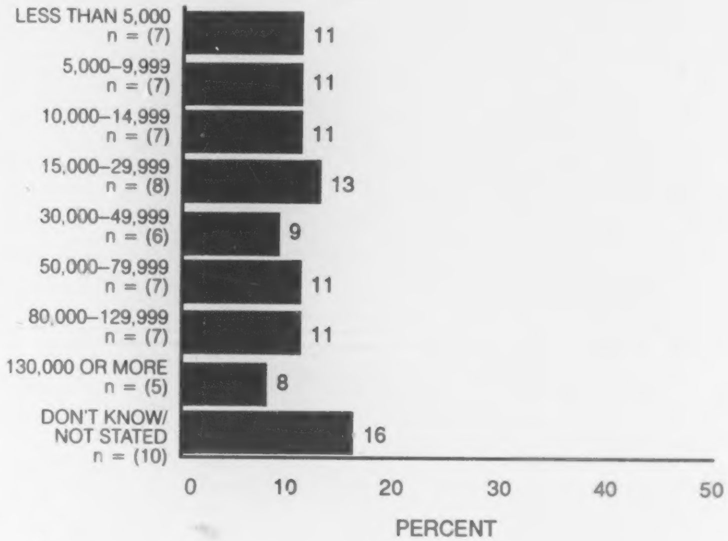
The following recapitulation presents percent of respondents selecting an industry as being among their top three, single industry service bureaus and the combined responses of all the service bureaus:

INDUSTRY OR PRODUCT/SERVICE	TOP THREE	SINGLE INDUSTRY	TOTAL
FINANCIAL/CREDIT CARDS	48%	14%	40%
PUBLISHING	30	14	27
HI-TECH/TELECOMMUNICATIONS	26	14	23
CONSUMER CLUBS/PRODUCTS/ SERVICES	26	7	22
INSURANCE	26	–	20
FUND RAISING	20	21	20
CATALOGS/TV DIRECT RESPONSE	24	–	18
HEALTH CARE/PHARMACEUTICALS	9	14	10
CORPORATE/BUSINESS PRODUCTS	13	–	10
POLITICAL/CULTURAL	9	7	8
OTHER	17	–	13
NOT STATED	4	7	5

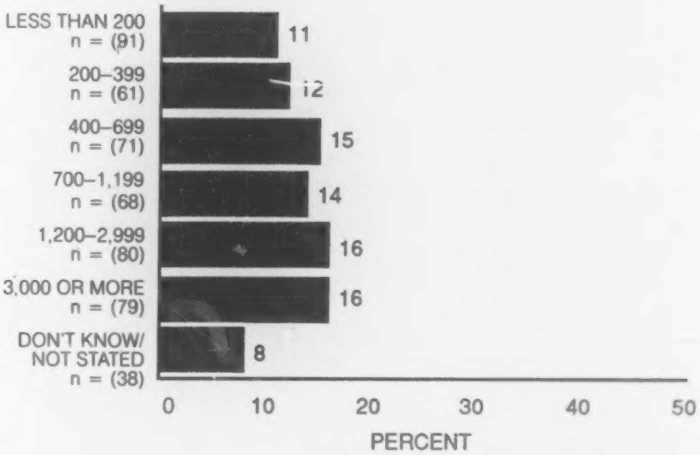
Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

AVERAGE NUMBER OF CALLS MADE AND COMPLETED IN A WEEK

SERVICE BUREAU
n = 64



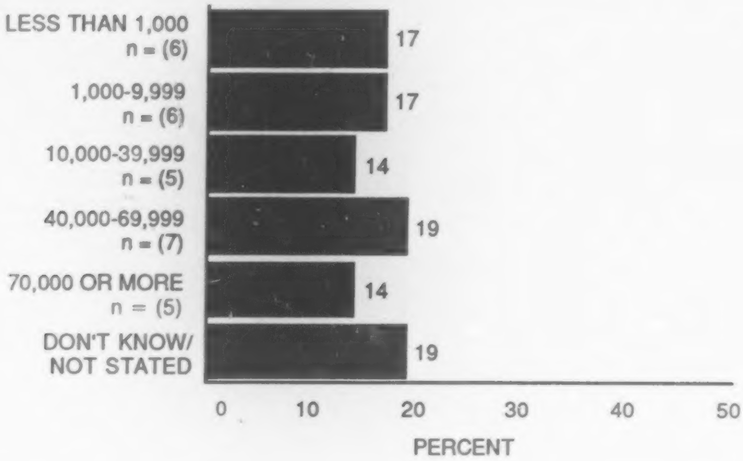
IN-HOUSE OPERATION
n = 489



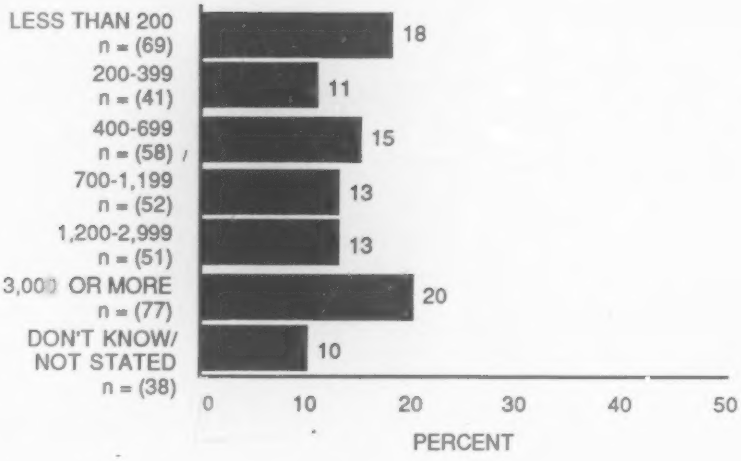
Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

AVERAGE NUMBER OF INBOUND CALLS RECEIVED IN A WEEK

SERVICE BUREAU
n = 36



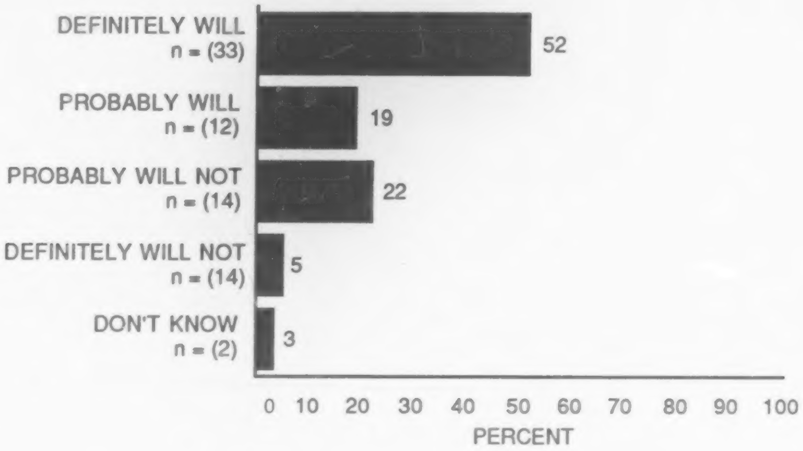
IN-HOUSE OPERATION
n = 386



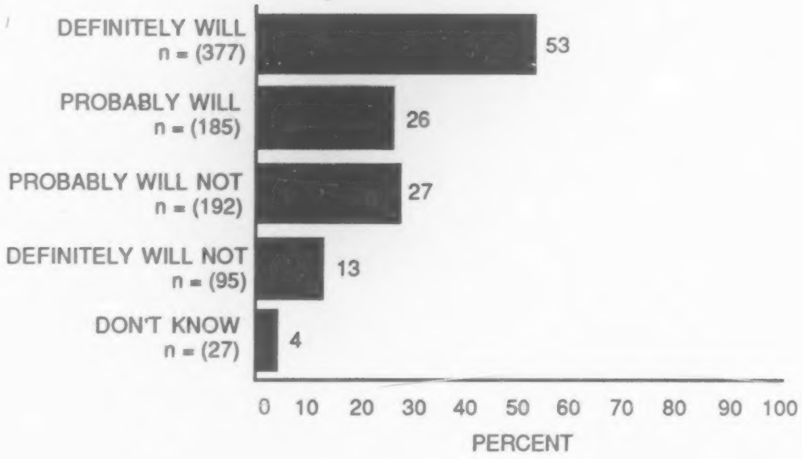
Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

INTENTION TO INCREASE DEGREE OF AUTOMATION BY END OF 1987

SERVICE BUREAU
n = 64



IN-HOUSE OPERATION
n = 707*

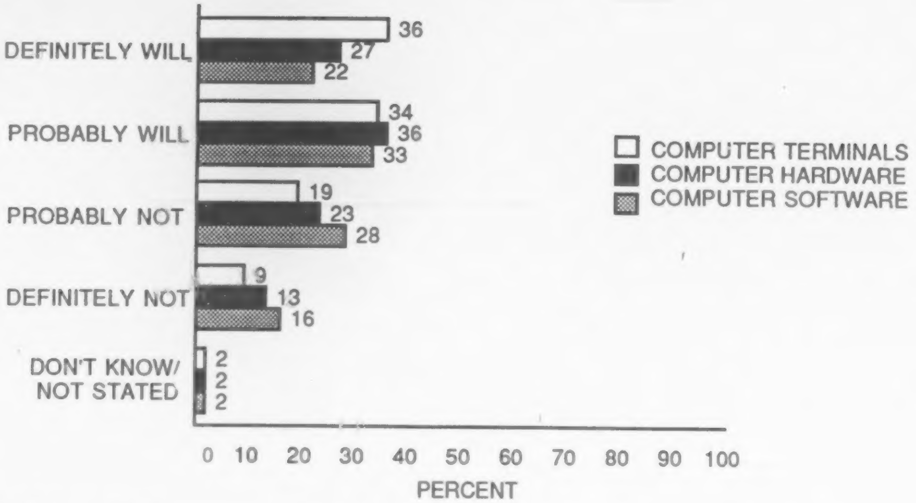


*NOT STATED = 2% n = (16)

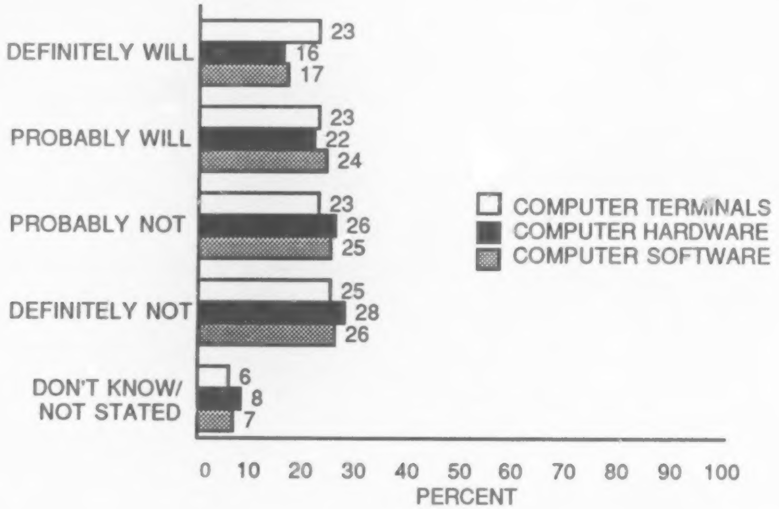
Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

COMPUTER EQUIPMENT: PURCHASE INTENT WITHIN THE NEXT 12 MONTHS (87–88)

SERVICE BUREAUS
n = 64

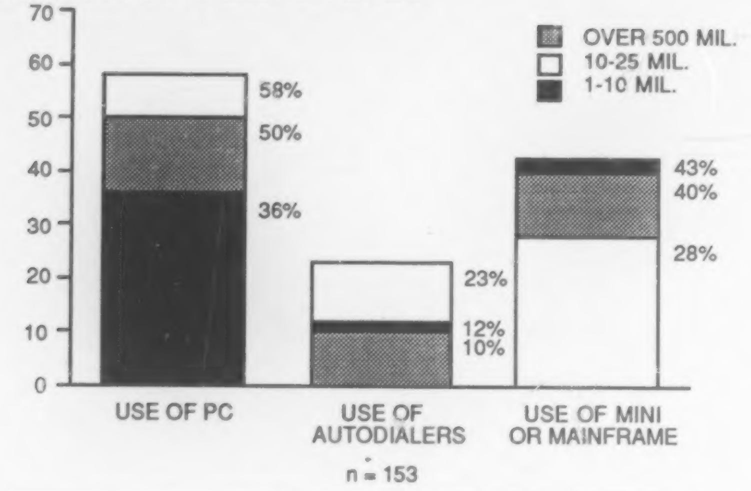


IN-HOUSE OPERATIONS



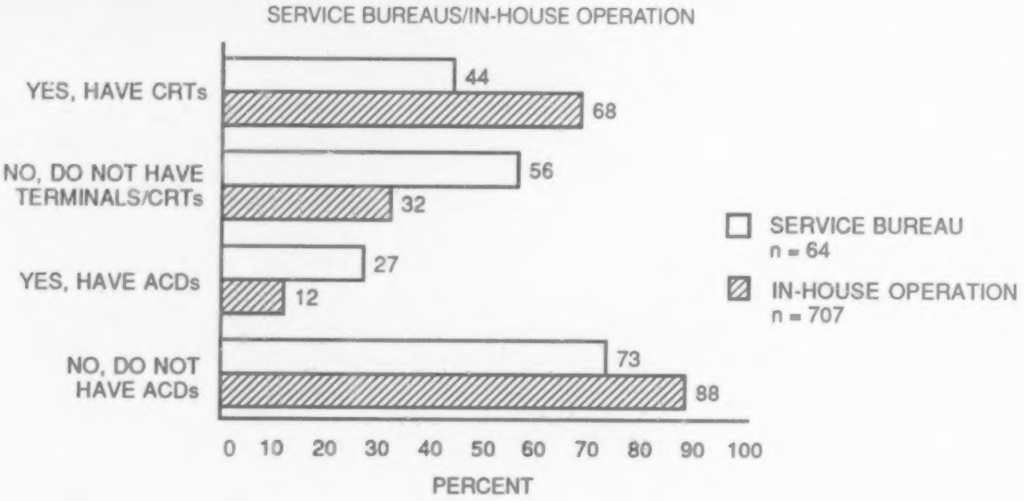
Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

LEVEL OF AUTOMATION BY SALES VOLUME



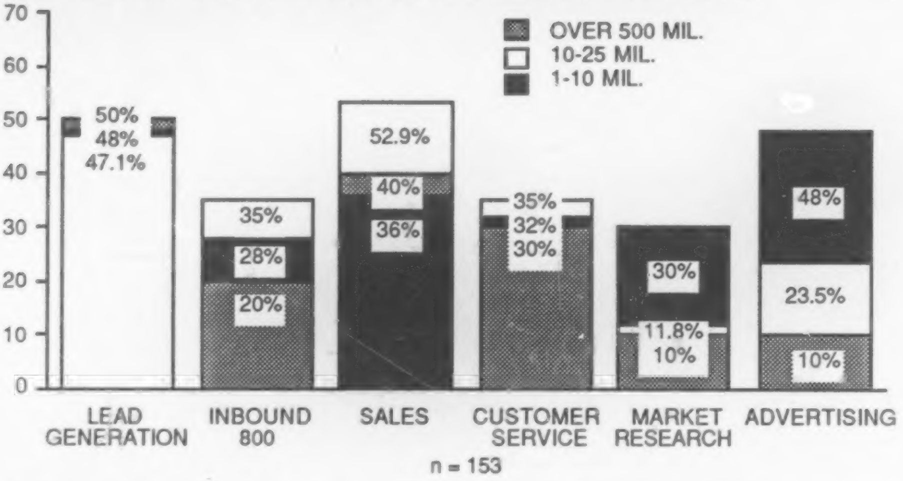
Source: CRC Information Systems, 1987; Telemarketing Magazine, February, 1987

INCIDENCE OF FIRMS HAVING COMPUTER TERMINALS (CRTs) AND AUTOMATIC CALL DISTRIBUTORS (ACDs)



Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

TYPES OF TELEMARKETING CAMPAIGNS BY SALES VOLUME



Source: CRC Information Systems, 1987; Telemarketing Magazine, February, 1987

SERVICE BUREAUS' VIEWS ON USING PRE-RECORDINGS FOR SELLING OR MARKETING

		TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
	TOTAL	OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL	64 100%	28 100%	36 100%	32 100%	32 100%	32 100%	32 100%
HATE IT/AWFUL/TERRIBLE/ OBNOXIOUS PRACTICE	10 16%	7 25%	3 8%	6 19%	4 13%	6 19%	4 13%
HURTS THE INDUSTRY/GIVES INDUSTRY BAD NAME	9 14%	6 21%	3 8%	6 19%	3 9%	5 16%	4 13%
OPPOSE IT/NEGATIVE TOWARD IT/NOT IN FAVOR OF IT	17 27%	6 21%	11 31%	10 31%	7 22%	9 28%	8 25%
SHOULD BE BANNED/ OUTLAWED	4 6%	2 7%	2 6%	1 3%	3 9%	2 6%	2 6%
OFFENDS PEOPLE/ OFFENSIVE TO CONSUMER	11 17%	6 21%	5 14%	6 19%	5 16%	4 13%	7 22%
TOO IMPERSONAL/ ELIMINATES PERSONAL CONTACT WHICH IS OUR SPECIALTY	16 25%	6 21%	10 28%	5 16%	11 34%	6 19%	10 31%
INEFFECTIVE/DOESN'T WORK	5 8%	2 7%	3 8%	2 6%	3 9%	1 3%	4 13%
OK FOR CERTAIN APPLICATIONS	3 5%	–	3 8%	1 3%	2 6%	1 3%	2 6%
NO FEELING OR OPINION ABOUT IT	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–
OTHER	1 2%	–	1 3%	1 3%	–	1 3%	–
DON'T KNOW	½%	–	⅓%	–	⅓%	⅓%	–

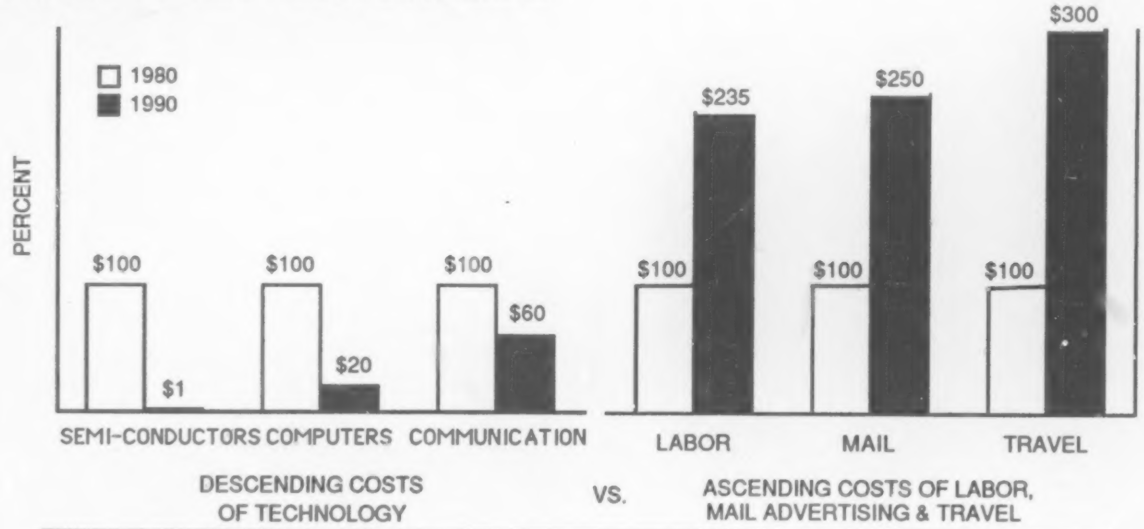
Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

SERVICE BUREAUS' VIEWS RE: CIRCUMSTANCES WHERE USE OF PRE-RECORDINGS WOULD BE ADVISABLE

		TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
	TOTAL	OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL	64 100%	28 100%	36 100%	32 100%	32 100%	32 100%	32 100%
FOR SPECIFIC INFORMATIONAL PURPOSES	3 5%	1 4%	2 6%	1 3%	2 6%	3 9%	–
TO INFORM PEOPLE OF SPECIAL INFORMATION SUCH AS PRODUCT DEFECT/ PRODUCT RECALL	8 13%	4 14%	4 11%	4 13%	4 13%	3 9%	5 16%
COLLECTIONS	2 3%	1 4%	1 3%	–	2 6%	–	2 6%
TO EXISTING CLIENTS/ CUSTOMERS ONLY	3 5%	1 4%	2 6%	1 3%	2 6%	–	3 9%
ON INCOMING CALLS ONLY	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–
IF INTRODUCED BY LIVE PERSON	3 5%	1 4%	2 6%	–	3 9%	1 3%	2 6%
DON'T KNOW OF ANY/NONE	26 41%	14 50%	12 33%	13 41%	13 41%	13 41%	13 41%
NEVER/NO CIRCUMSTANCE/ NONE WHATSOEVER	11 17%	3 11%	8 22%	8 25%	3 9%	4 13%	7 22%
OTHER	4 6%	1 4%	3 8%	3 9%	1 3%	4 13%	–
DON'T KNOW/NOT STATED	3 5%	1 4%	2 6%	1 3%	2 6%	2 6%	1 3%

Source: Schlenker Research Services, Telemarketing Intelligence Report, 1987

TECHNOLOGICAL IMPACT ON COSTS THE 1980's DECADE—COST DYNAMICS



Source: Successful Telemarketing, Bob Stone and John Wyman published by National Textbook, 1986

1985 TELEMARKETING AGENCY/SERVICE BUREAU SALARIES VS. IN-HOUSE FACILITY SALARIES BY OUTBOUND AND INBOUND CALLING FUNCTIONS

At all levels, for both inbound and outbound, telephone marketers that work for companies with in-house telemarketing facilities earn more than their counterparts at telemarketing agencies/service bureaus. In many cases, the percent difference is 20% or greater.

When comparing what percent base salary represents of total income, we find that base salary represents more of total income for TM agency/service bureau employees than in-house facility employees. On the average, by all titles, the percent base salary represents ranges from 87%–98% for TM agency employees and between 73%–96% for employees of in-house facilities. The lowest base salary represented for in-house TM employees is 1%, and the lowest it goes for TM service bureau employees is 10% (both are for the manager/director function).

The charts below indicate these differences by title and type of facility (both outbound and inbound).

	OUTBOUND SALARIES			AVERAGE PERCENT BASE SALARY REPRESENTS—OUTBOUND		
TITLE	TM AGENCY	IN-HOUSE	% DIFFERENCE	TM AGENCY	IN-HOUSE	TOTAL
MANAGER/DIRECTOR						
AVERAGE	$ 36,075	$ 38,480	+ 6%	87%	75%	82%
HIGHEST PAID	100,000	150,000	+33%			
FULL-TIME SUPERVISOR						
AVERAGE	$ 19,028	$ 21,836	+13%	97%	84%	90%
HIGHEST PAID	35,000	60,000	+42%			
PART-TIME SUPERVISOR						
AVERAGE	$ 7.23/hr.	$11.84/hr.	+39%	98%	75%	88%
HIGHEST PAID	12.00/hr.	19.00/hr.	+37%			
FULL-TIME REPRESENTATIVE						
AVERAGE	$ 7.22/hr.	$ 9.29/hr.	+22%	92%	84%	81%
HIGHEST PAID	15.00/hr.	33.00/hr.	+55%			
PART-TIME REPRESENTATIVE						
AVERAGE	$ 6.60/hr.	$ 7.42/hr.	+11%	92%	73%	85%
HIGHEST PAID	18.00/hr.	35.26/hr.	+49%			

	INBOUND SALARIES			AVERAGE PERCENT BASE SALARY REPRESENTS—INBOUND		
TITLE	TM AGENCY	IN-HOUSE	% DIFFERENCE	TM AGENCY	IN-HOUSE	TOTAL
MANAGER/DIRECTOR						
AVERAGE	$ 34,556	$ 39,788	+13%	95%	79%	88%
HIGHEST PAID	67,200	75,000	+10%			
FULL-TIME SUPERVISOR						
AVERAGE	$ 16,922	$ 21,797	+22%	98%	87%	92%
HIGHEST PAID	34,800	40,000	+13%			
PART-TIME SUPERVISOR						
AVERAGE	$ 6.79/hr.	$ 8.63/hr.	+21%	100%	96%	98%
HIGHEST PAID	12.00/hr.	19.00/hr.	+37%			
FULL-TIME REPRESENTATIVE						
AVERAGE	$ 7.69/hr.	$ 7.23/hr.	− 6%	87%	91%	90%
HIGHEST PAID	12.00/hr.	16.83/hr.	+29%			
PART-TIME REPRESENTATIVE						
AVERAGE	$ 5.26/hr.	$ 6.37/hr.	+17%	98%	91%	94%
HIGHEST PAID	10.00/hr.	16.83/hr.	+41%			

Source: DMA Research Department, Telemarketing Council, 1986

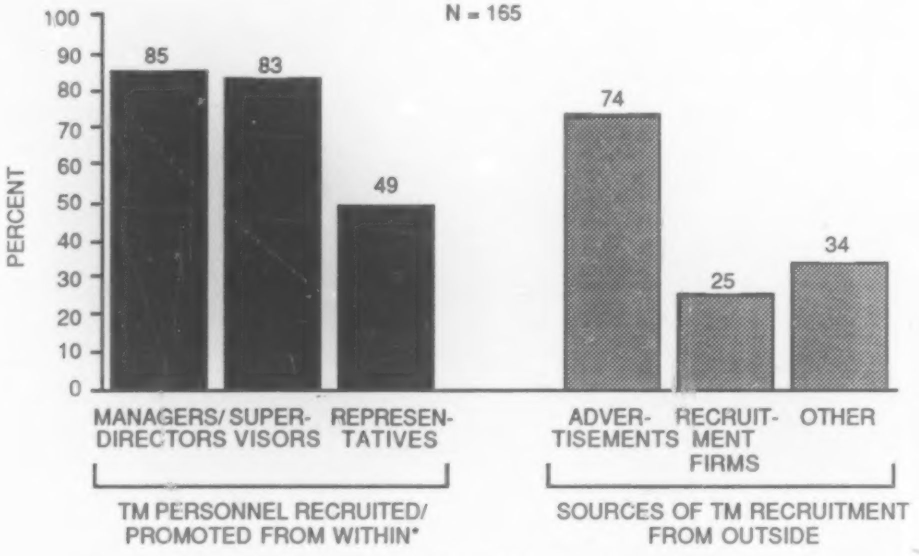
BENEFITS OFFERED BY TELEMARKETING FIRMS BY TYPE OF OPERATION IN 1985

TITLE/COMPENSATION BENEFITS*	TOTAL n=(163/ 100%)	TM AGENCY n=(46/100%)	IN-HOUSE n=(117/ 100%)	PRIMARILY OUT-BOUND+ n=(116/ 100%)	PRIMARILY INBOUND+ n=(56/100%)	PRIMARILY CON-SUMERS+ n=(73/100%)	PRIMARILY BUSI-NESSES+ n=(95/100%)	TM GROSS SALES –$1M n=(36/100%)	TM GROSS SALES $1M–9.9M n=(68/100%)	TM GROSS SALES $10M+ n=(48/100%)
MANAGERS/DIRECTORS										
PROFIT SHARING	44%	44%	46%	47%	43%	51%	38%	44%	35%	54%
GUARANTEED BONUSES	13%	12%	15%	13%	13%	14%	13%	3%	18%	15%
NON-GUARANTEED BONUSES	46%	37%	70%	41%	55%	48%	44%	39%	49%	56%
INCENTIVE PLANS	29%	29%	28%	30%	32%	30%	31%	19%	25%	44%
COMMISSIONS	10%	14%	2%	11%	13%	6%	14%	11%	2%	10%
SUPERVISORS										
PROFIT SHARING	28%	26%	33%	26%	32%	37%	21%	14%	29%	38%
GUARANTEED BONUSES	7%	6%	9%	7%	7%	7%	7%	0%	10%	8%
NON-GUARANTEED BONUSES	29%	24%	44%	23%	39%	34%	26%	28%	28%	38%
INCENTIVE PLANS	34%	33%	37%	31%	41%	37%	33%	17%	38%	42%
COMMISSIONS	14%	16%	7%	14%	14%	10%	16%	8%	12%	17%
REPRESENTATIVES										
PROFIT SHARING	21%	24%	13%	21%	25%	22%	19%	14%	21%	23%
GUARANTEED BONUSES	6%	6%	4%	4%	9%	6%	5%	0%	9%	6%
NON-GUARANTEED BONUSES	26%	23%	35%	26%	25%	26%	27%	33%	25%	27%
INCENTIVE PLANS	58%	57%	63%	60%	59%	58%	60%	47%	66%	63%
COMMISSIONS	41%	42%	37%	43%	36%	30%	46%	31%	43%	48%

+ Represents 50% or more of company's TM Activity

* Does not equal 100% due to multiple answers
Source: DMA Research Department/Telephone Marketing Council, 1986

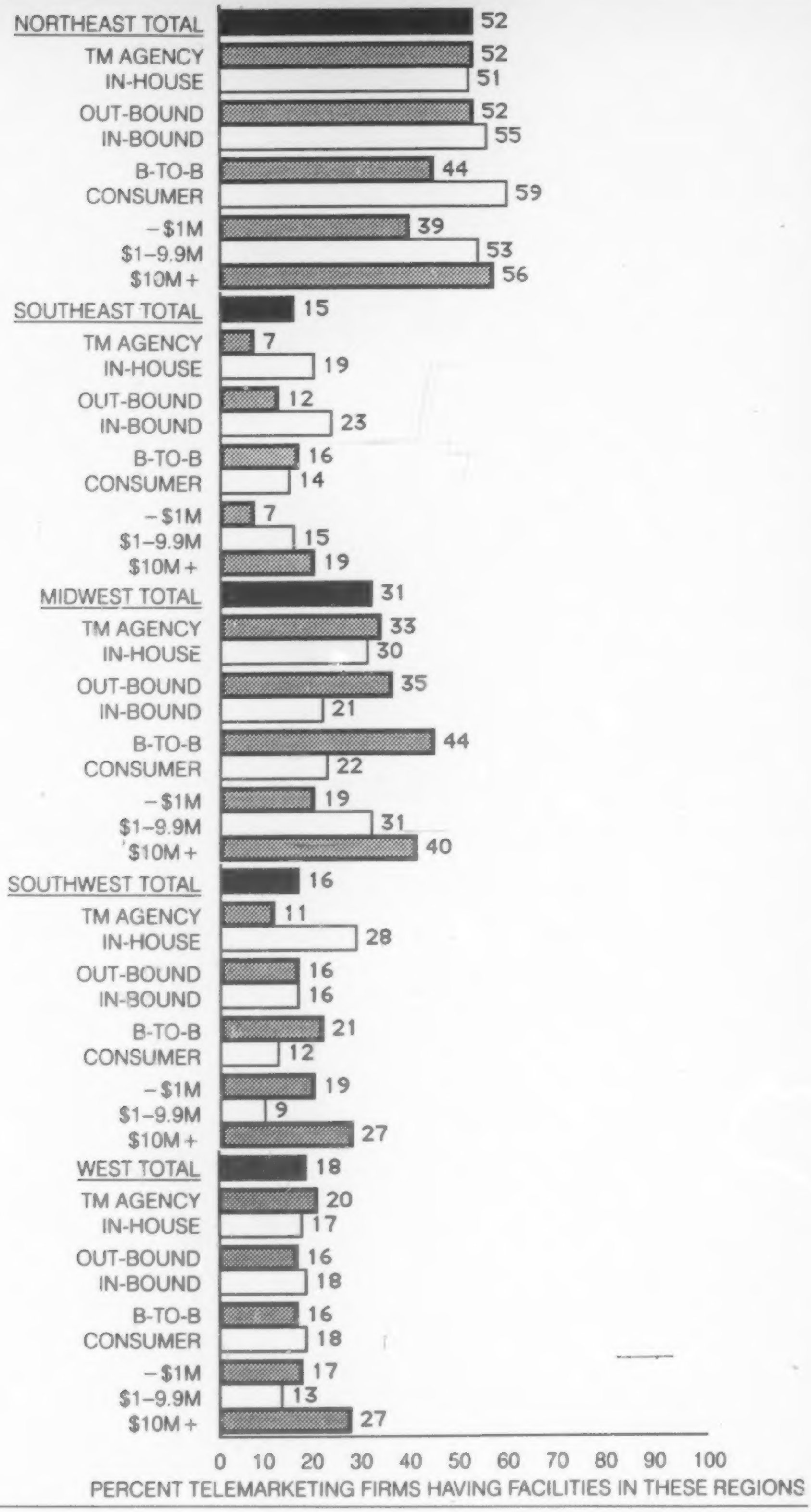
TELEMARKETING RECRUITMENT METHODS



*DOES NOT EQUAL 100% DUE TO MULTIPLE RESPONSES

Source: DMA Research Department, Telephone Marketing Council, 1986

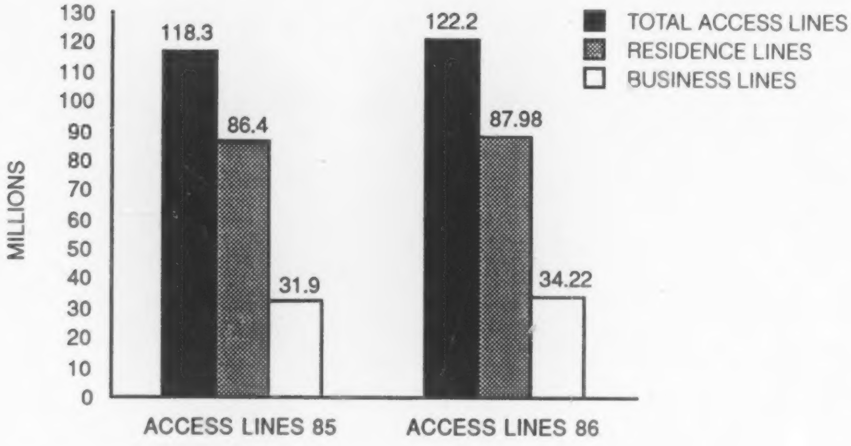
LOCATION OF TELEMARKETING FACILITIES



Source: DMA Research Departament, Telemarketing Council. 1986

TOTAL, RESIDENCE & BUSINESS ACCESS LINES IN THE U.S. 1985–1986

An access line is the line connecting the phone equipment to the local exchange carrier. According to the FCC, access lines are a common circuit which connects a customer location to a switching station (also called subscriber lines).



Source: U.S. Telephone Association Telephone Statistics, 1986 & 1987

AVERAGE DAILY CALLS AND TOLL MESSAGES
BELL AND INDEPENDENT TELEPHONE COMPANIES

	1984	1985	1986
LOCAL CALLS	1,103,785,614	1,161,352,890	1,205,884,382
TOLL MESSAGES	86,805,839	102,183,979	120,811,191
LOCAL CALLS PER AVERAGE ACCESS LINE	9.88	9.89	10.11
TOLL MESSAGES PER AVERAGE ACCESS LINE	.777	.871	1.01

Source: U.S. Telephone Association, Telephone Statistics, 1987

TELEPHONE ACCESS LINES BY STATE

STATE	BELL AND INDEPT. COMPANIES 1985	BELL AND INDEPT. COMPANIES 1986	TOTAL ACCESS LINES 1985	TOTAL ACCESS LINES 1986
ALABAMA	30	32	1,509,000	1,579,000
ALASKA	24	23	245,700	260,200
ARIZONA	6	7	1,518,120	1,575,000
ARKANSAS	29	27	900,300	910,000
CALIFORNIA	22	22	14,242,800	14,456,800
COLORADO	26	24	2,018,500	2,300,000
CONNECTICUT	2	2	1,993,100	2,103,000
DISTRICT OF COLUMBIA	1	1	785,100	785,000
DELAWARE	1	1	337,500	337,500
FLORIDA	13	13	5,913,325	6,125,500
GEORGIA	29	29	3,096,000	3,300,000
HAWAII	1	1	479,000	478,300
IDAHO	12	13	432,600	435,000
ILLINOIS	56	57	6,029,895	6,100,000
INDIANA	46	46	2,341,800	2,391,300
IOWA	154	151	1,296,600	1,296,600
KANSAS	39	39	1,295,150	1,330,000
KENTUCKY	16	16	1,423,600	1,467,170
LOUISIANA	21	21	1,896,700	1,920,000
MAINE	19	19	524,700	532,000
MARYLAND	2	2	2,352,600	2,419,000
MASSACHUSETTS	3	3	3,037,225	3,186,250
MICHIGAN	43	42	4,427,300	4,582,300
MINNESOTA	90	89	2,115,500	2,160,000
MISSISSIPPI	21	21	911,900	920,000
MISSOURI	40	40	2,373,000	2,410,000
MONTANA	17	15	378,700	380,000
NEBRASKA	43	43	780,400	781,150
NEVADA	11	11	493,800	519,780
NEW HAMPSHIRE	10	11	499,840	544,880
NEW JERSEY	7	6	4,342,200	4,402,000
NEW MEXICO	10	8	620,000	625,000
NEW YORK	41	40	9,715,500	9,905,147
NORTH CAROLINA	25	26	2,724,870	2,895,050
NORTH DAKOTA	22	21	335,600	405,489
OHIO	44	43	4,840,350	5,477,400
OKLAHOMA	33	33	1,556,800	1,559,200
OREGON	32	29	1,244,000	1,339,050
PENNSYLVANIA	48	42	6,019,225	6,100,000
RHODE ISLAND	1	1	480,000	490,000
SOUTH CAROLINA	27	24	1,305,200	1,375,200
SOUTH DAKOTA	30	30	315,000	320,000
TENNESSEE	26	26	2,103,300	2,159,020
TEXAS	66	66	7,737,100	7,966,800
UTAH	14	14	660,000	662,000
VERMONT	8	8	295,300	296,000
VIRGINIA	20	20	2,747,900	2,867,350
WASHINGTON	23	24	2,341,000	2,500,000
WEST VIRGINIA	10	10	750,500	751,900
WISCONSIN	99	99	2,254,000	2,282,264
WYOMING	13	13	237,400	238,000
TOTAL	**1,426**	**1,404**	**118,275,000**	**122,202,600**

Source: U.S. Telephone Association, Telephone Statistics 1987

COMPOSITE PLANT, ACCESS LINES AND CALLING STATISTICS OF REPORTING TELEPHONE COMPANIES*

BELL AND INDEPENDENT CO. OWNED ACCESS LINES	1984	1985	1986	% CHANGE 1984–86
BUSINESS—ONE PARTY	19,906,769	19,872,005	23,312,353	+34.2
BUSINESS-TWO OR MORE PARTIES	188,820	369,967	361,001	+91.2
PBX TRUNK INCLUDING CENTREX	8,985,850	7,649,581	8,542,933	−5.2
RESIDENCE—ONE PARTY	78,648,062	83,113,174	84,170,531	+7.0
RESIDENCE—TWO OR MORE PARTIES	3,924,997	4,591,138	3,034,064	−29.4
PUBLIC TELEPHONES	1,803,501	1,714,055	1,565,707	−15.2
PUBLIC MOBILE	65,278	64,789	184,986	+183.4
TOTAL	113,523,277	117,374,709	121,171,575	+6.7
TOUCH TONE ACCESS LINES	62,053,124	63,758,154	76,031,443	+22.5
AVERAGE CO-OWNED ACCESS LINES IN SERVICE DURING THE YEAR	111,732,630	115,463,932	119,267,923	+6.7

*Due to variations in the number of companies reporting for the periods involved, as well as changes in individual company classification, care should be taken when making comparisons of these numbers.

Source U.S. Telephone Association, Telephone Statistics 1986 & 1987

IN-HOUSE OUT BOUND TELEMARKETING COST WORKSHEET

OUTBOUND: 9:00 A.M. TO 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVES PHONE HOURS (1235) DIRECT EXPENSES	COST	COST/PHONE HOUR
A. LABOR		
MANAGER (⅓ TIME)	$ 1,500	$ 1.21
SUPERVISOR (FULL TIME)	3,000	2.43
REPRESENTATIVES (10 FULL TIME)	18,000	14.58
ADMIN. (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (⅓ OF WAGES)	12,296	9.96
INCENTIVE	12,000	9.72
SUBTOTAL	$49,222	$39.86
B. PHONE		
EQUIPMENT AND SERVICE	350	.28
LINES:		
• WATS	9,228	7.47
• MTS (MESSAGE TOLL SERVICE)	3,075	2.50
SUBTOTAL	$12,653	$10.25
C. AUTOMATION		
DEPRECIATION	4,950	1.58
MAINTENANCE	731	.59
SUBTOTAL	$ 2,681	$ 2.17
D. OTHER		
LISTS	3,088	2.50
MAIL/CATALOGS	617	.50
POSTAGE	309	.25
MISCELLANEOUS	1,235	1.00
SUBTOTAL	$ 5,249	$ 4.25
TOTAL DIRECT	$69,805	$56.52
G&A (15%)	10,471	8.48
TOTALS	$80,276	$65.00

BASIS FOR EXPENSE STATEMENT:

LABOR
Manager: Annual = $54,000 × ⅓ allocation = $1,500/month
Supervisor: Annual = $36,000 at full allocation = $3,000/month
Representatives: $8.65/hour × 40 hours/week × 52 weeks
full allocation = $1800/month
6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Admin: $7.00/hour × 40 hours/week × 52 weeks at full allocation = $1213/month
Tax and fringe: 33.3% of wages (including contest incentives)
Incentive: Reps Only—40% of Total Remuneration

PHONE Step Rate 18 plus Band 5*
WATS = 35 minutes (50%) per labor hour WATS connect time:
1235 × 50% = 617 billable WATS hours plus 10 lines @ $31.65/line access
MTS (Message Toll Services) =
5 minutes per labor hour connect time:
1235 × 8.3% = 102.5 Message Toll @ 0.50 Min. = $3,075

COMPUTATIONS:

1. @ 12 TDs (total dialings) per rep phone hour cost per dial = $5.42
2. @ 15 TDs (total dialings) per rep phone hour cost per dial = $4.33
3. @ 5 DMCs (decision-maker contacts) per phone hour cost per DMC = $13.00
4. @ 6 DMCs (decision-maker contacts) per phone hour cost per DMC = $10.83
5. @ 1 Order per rep phone hour cost per order = $65.00
6. @ 3 Orders per rep phone hour cost per order = $21.67

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*Step Rate 18 (Local State) plus Band 5 (all other continental states plus Puerto Rico and Virgin Islands).

Source: Successful Telemarketing, Bob Stone & John Wyman published by National Textbook 1986. Statistics updated in 1987

IN-HOUSE IN BOUND TELEMARKETING COST WORKSHEET

INBOUND: 9:00 A.M. TO 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVE PHONE HOURS (1235) **DIRECT EXPENSES**	**COST**	**COST/PHONE HOUR**
A. LABOR		
MANAGER (⅓ TIME)	$ 1,250	$ 1.01
SUPERVISOR (FULL TIME)	2,750	2.23
REPRESENTATIVES (10 FULL TIME)	16,000	12.95
ADMIN. (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (⅓ OF WAGES)	8,134	6.59
INCENTIVE	2,000	1.62
SUBTOTAL	$32,560	$26.36
B. PHONE		
EQUIPMENT AND SERVICE	1,489	1.21
LINES:		
• WATS	12,819	10.38
• MTS (MESSAGE TOLL SERVICE)	—	—
SUBTOTAL	$14,308	$11.59
C. OTHER		
LISTS	—	—
MAIL/CATALOGS	2,470	1.00
POSTAGE	1,235	.50
MISCELLANEOUS	1,000	.81
SUBTOTAL	$ 4,705	$ 2.31
TOTAL DIRECT	$51,573	41.76
G&A (15%)	7,736	6.26
TOTALS	$59,309	$48.02

BASIS FOR EXPENSE STATEMENT

LABOR

Manager: Annual = $45,000 × ⅓ allocation = $1,250/month
Supervisor: Annual = $33,000 at full allocation = $2,750/month
Representatives: $9.23/hour × 40 hours/week × 52 weeks
full allocation = $1600/month
6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Admin: $7.00/hour × 40 hours/week × 52 weeks full allocation = $1213/month
Tax and fringe: 33.3% of wages (including contest incentives)
Incentives: Reps Only—$2,000/month

PHONE

WATS (800) = *Step Rate 18 plus Band 5
42 minutes (70%) per labor hour WATS Connect Time: 1235 hours × 0.70% = 865 billable WATS hours plus 10 lines @ $36.80/line access

NOTE

The average number of calls handled per rep phone hour is 12 @ 2.3 minutes each. As high as 15 per phone hour during peaks.

COMPUTATIONS:

1. @ 12 calls/hour = $3.93/call
2. @ 15 calls/hour = $3.14/call
3. @ 1 Order/rep phone hour = $47.00 per order
4. @ 6 Order/rep phone hour = $7.85 per order

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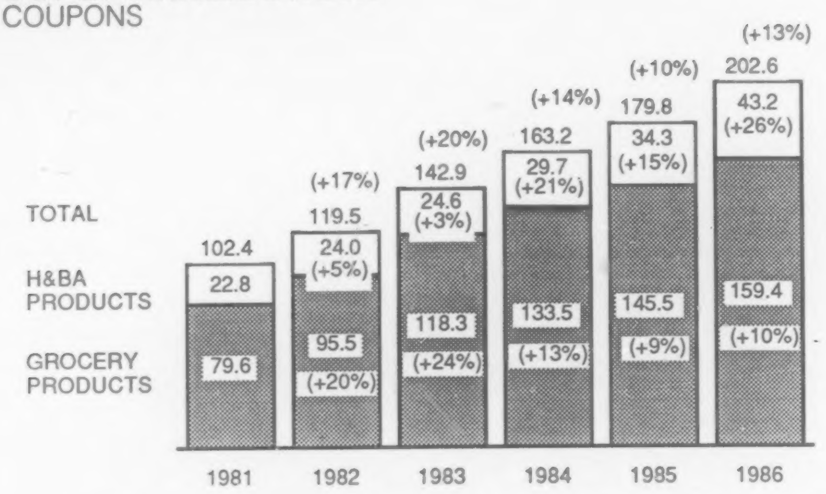
*Step Rate 18 (Local State) plus Band 5 (all other continental states plus Puerto Rico and Virgin Islands).

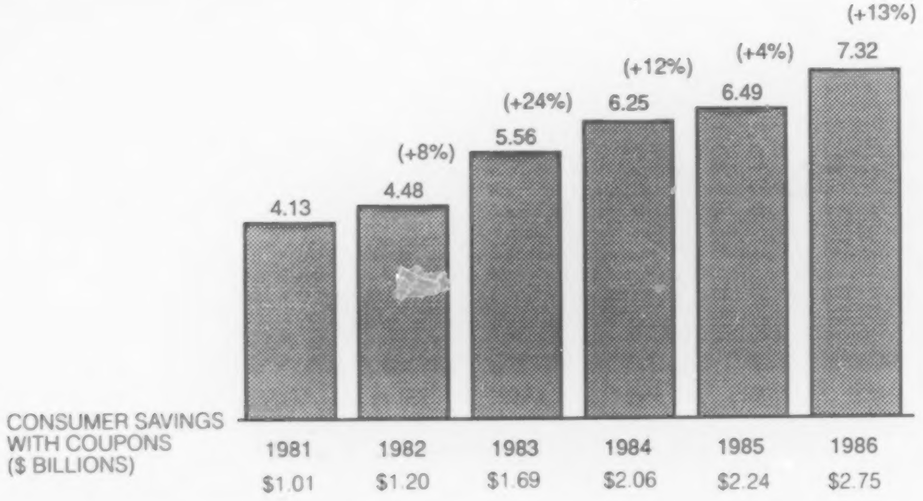
Source: Successful Telemarketing, Bob Stone & John Wyman published by National Textbook, 1986. Statistics updated in 1987.

TREND IN COUPON DISTRIBUTIONS
BILLIONS OF COUPONS



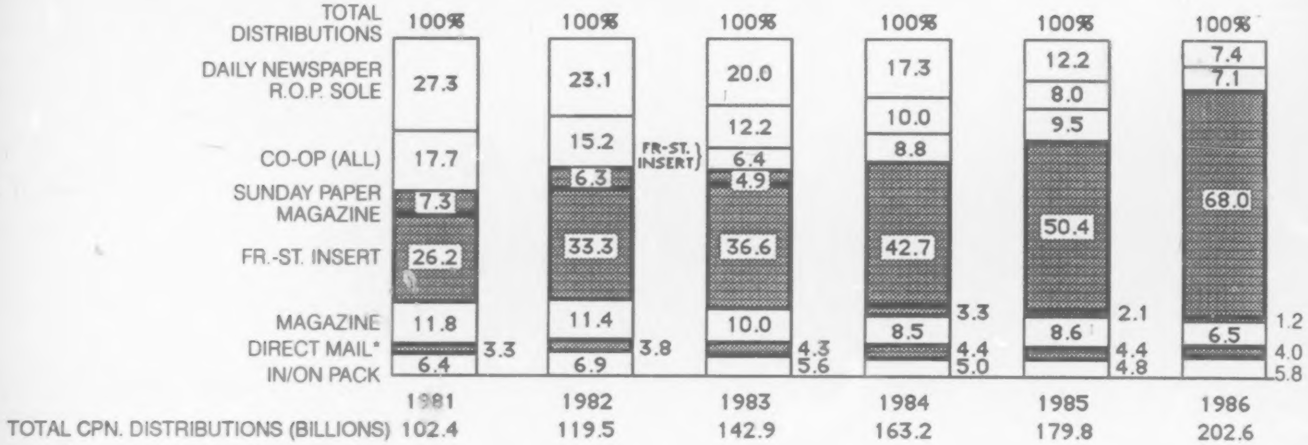
Source: Manufacturers Coupon Control Center, 1987

TREND IN COUPON REDEMPTIONS
BILLIONS OF COUPONS



Source: Manufacturers Coupon Control Center, 1987

PERCENT OF COUPON DISTRIBUTIONS BY MEDIA 1981–86
ALL PRODUCTS

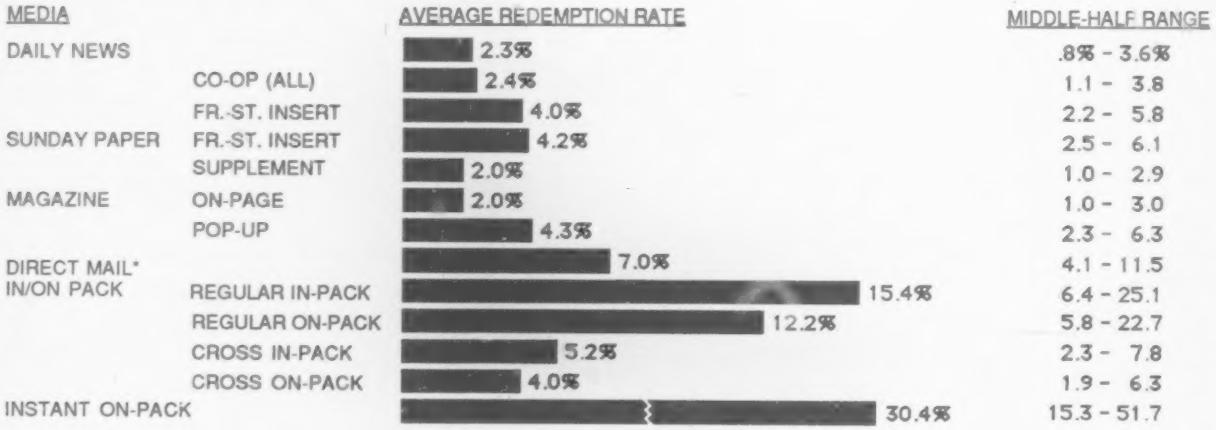


*INCLUDES MAILED FSI AS WELL AS ENVELOPE.

Source: Manufacturers Coupon Control Center, 1987

For page 56

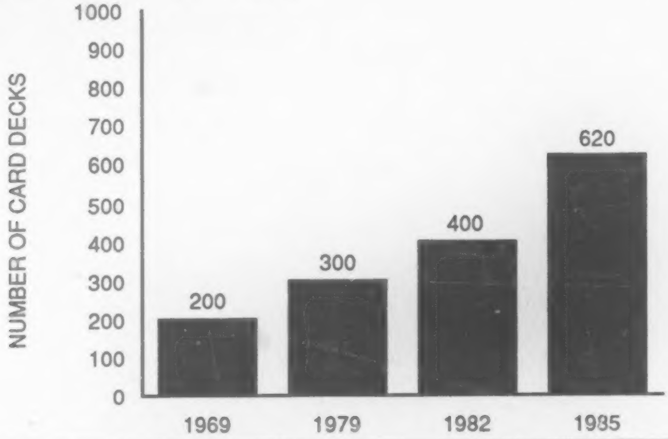
COUPON REDEMPTION RATES BY MEDIA 1985
GROCERY PRODUCTS



*INCLUDES MAILED FSI AS WELL AS ENVELOPE.

Source: Manufacturers Coupon Control Center, 1986

GROWTH OF CARD DECKS 1969–1985



Source: Bill Norcott. Secrets of Successful Response Deck Advertising, as published by Direct Marketing Magazine, October 1985

UNITED STATES RESULT OF 1986 INSERT VOLUME SURVEY PROJECTED CIRCULATION

(IN BILLIONS)

METHOD AND SAMPLE

A questionnaire was sent to 1,632 United States daily and Sunday newspapers. We received 910 usable returns. These returns were sorted into the eight circulation groupings appearing in the 1986 Editor and Publisher Year Book. Each grouping was then projected to 100%.

							SHARE		
	FULL RUN	%	PARTIAL RUN	%	TOTAL	%	FULL %	PARTIAL %	% COMPARISON TO 1985 TOTALS
TOTAL RETAIL	26.837	100.0	16.433	100.0	43.270	100.0	62.0	38.0	+11.9
Sunday	13.392	49.9	9.235	56.2	22.627	52.3	59.2	40.8	+16.0
Daily	13.445	50.1	7.198	43.8	20.643	47.7	65.1	34.9	+ 7.8
TOTAL NATIONAL	6.965	100.0	1.268	100.0	8.233	100.0	84.6	15.4	+22.6
Sunday	6.333	90.9	1.043	82.3	7.376	89.6	85.9	14.1	+40.9
Daily	0.632	9.1	0.225	17.7	0.857	10.4	73.7	26.3	−57.8
GRAND TOTALS	33.802		17.701		51.503		65.6	34.4	+13.5
ADDITIONAL COMPARISONS:									
TOTAL SUNDAY	19.725	58.4	10.278	58.1	30.003	58.3	65.7	34.3	+21.3
TOTAL DAILY	14.077	41.6	7.423	41.9	21.500	41.7	65.5	34.5	+ 4.2

Advertiser Free-Fall insert investments for 1986 came to $4,868,154,000 or 16.5% above 1985. This is based on a 12-page tabloid and includes printing and inserting. A ratio of 55% printing and 45% inserting has been used. Years prior to 1982 have used a 50/50 ratio.

Source: Newspaper Advertising Bureau, Inc. 1987

TYPICAL NATIONAL INSERT CPMs FOR SUNDAY NEWSPAPERS

(TOP 100 MSAs)
CPM—Cost Per Thousand
MSA—Metropolitan Statistical Area

	TOTAL CIRCULATION (IN 000s)	COST PER THOUSAND FOR:			
		2 PAGES	4 PAGES	8 PAGES	12 PAGES
TOP 10	15,411.3	$37.87	$38.46	$44.87	$50.05
TOP 25	24,619.4	38.51	39.27	45.32	50.55
TOP 50	33,591.4	38.55	39.42	45.36	50.60
TOP 75	39,248.0	38.59	39.46	45.41	50.65
TOP 100	42,556.1	38.63	39.50	45.45	50.68

Source: Newspaper Advertising Bureau, Inc., February 1986

VOLUME OF INSERTS IN SUNDAY/DAILY NEWSPAPERS

YEAR	FREE-STANDING INSERTS (CIRCULATION IN BILLIONS)	PERCENTAGE OF GROWTH		FREE STANDING INSERT REVENUE*	PERCENTAGE	
		ANNUALLY	CUMULATIVELY	(BILLIONS)	ANNUALLY	CUMULATIVELY
1970	7.057	–	100.0	–		
1975	15.800	2.8	223.9	–		
1980	27.733	2.2	393.0	$2,032,453	–	100.0
1981	28.708	3.5	406.8	$2,288,542	12.6	112.6
1982	29.966	4.4	424.6	$2,517,396	10.0	123.9
1983	35.727	19.2	506.3	$3,095,000	22.9	152.3
1984	41.265	15.5	584.7	$3,691,407	19.3	181.6
1985	45.379	10.0	643.0	$4,178,673	13.2	205.6
1986	51.503	13.5	729.8	$4,868,154	16.5	239.5

*Based on a 12-page tabloid and includes printing and inserting. A ratio of 55% printing and 45% inserting has been used. Years prior to 1982 have used a 50/50 ratio.

Source: Newspaper Advertising Bureau, Inc., 1987

NEWSPAPER INSERT ADVERTISING VOLUME

	FREE-STANDING INSERTS (CARD & MULTI-PAGE) (MILLIONS)	FREE-STANDING INSERT REVENUE (THOUSANDS)
1975	15,800	NA
1977	20,101	$1,086,000
1979	27,132	1,776,604
1981	28,708	2,288,542
1983	35,727	3,095,000
1984 (EST.)	41,265	3,691,407
1985	45,379	4,178,673

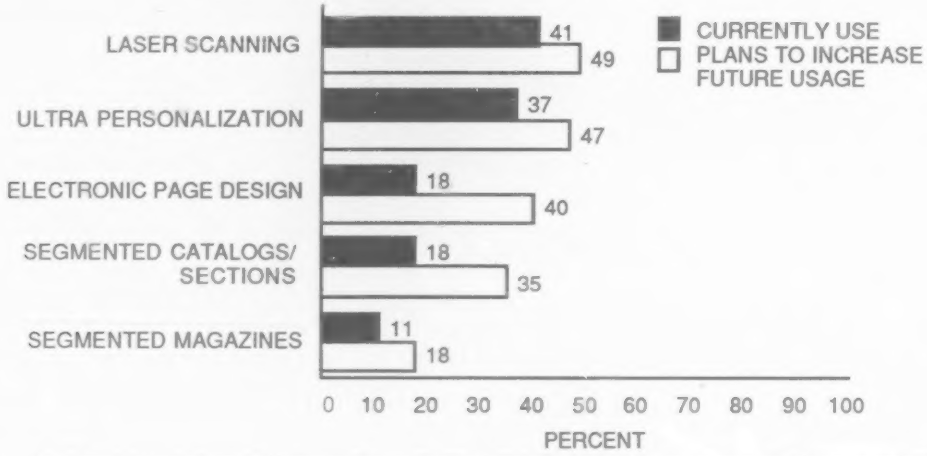
Source: Newspaper Advertising Bureau, Inc., February, 1986

AVERAGE EXPENDITURE FOR ONE AD

	1979	1981	1983	1985
1-PAGE FOUR-COLOR	$ 7,715	$ 7,740	$ 9,045	$ 8,650
2-PAGE SPREAD, FOUR-COLOR	10,175	10,950	12,310	13,455
1-PAGE BLACK & WHITE	3,195	2,830	3,410	2,960
2-PAGE SPREAD, BLACK & WHITE	5,480	5,180	5,065	7,180

Source: Trout and Ries Advertising, 1986

USE OF GRAPHIC ART TECHNOLOGIES



Source: DMA Research Department, Marketing Council, Management Survey of Current Direct Marketing Practices & Trends, August 1986

HOME SHOPPING REVENUE ESTIMATES (1985–1992)

YEAR	# OF TV HOMES OFFERED SHOPPING (MILLIONS)	SALES PER HOME AVERAGE	HOME SHOPPING REVENUES ($ BILLIONS)	% INCREASE
1985	3.0	$30	$0.091	—
1986	13.0	$35	$0.46	406%
1987	46.0	$38	$1.75	284%
1988	56.5	$45	$2.55	45%
1989	64.0	$53	$3.40	33%
1990	70.0	$59	$4.13	22%
1991	75.0	$65	$4.88	18%
1992	79.0	$71	$5.60	15%

Source: Paul Kagan Associates, Inc., October 1987

PUBLIC AWARENESS OF TV HOME SHOPPING PROGRAMS

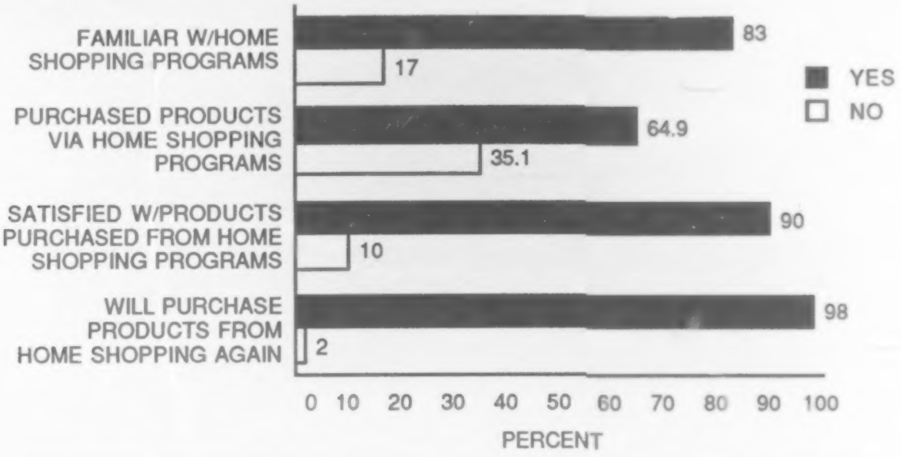
	(BASE)	VERY FAMILIAR	FAIRLY FAMILIAR	ONLY A LITTLE FAMILIAR	NOT AT ALL FAMILIAR	DON'T KNOW
TOTAL PUBLIC	(1001)	15%	22	34	28	1
NORTHEAST	(213)	19%	22	31	28	*
NORTH CENTRAL	(250)	13%	22	39	25	2
SOUTH	(340)	15%	20	33	31	1
WEST	(198)	13%	26	35	25	*
NON-METRO AREA	(260)	8%	20	37	34	2
METRO AREA (UNDER 1 MILLION)	(338)	16%	21	32	30	1
METRO AREA (1 MILLION +)	(403)	19%	25	35	21	*
LESS THAN 35 YEARS OLD	(366)	17%	24	40	18	1
35–64 YEARS	(498)	15%	24	33	27	1
65 YEARS OR MORE	(130)	8%	12	25	54	1
HIGH SCHOOL INCOMPLETE	(100)	15%	14	26	44	*
HIGH SCHOOL GRADUATE	(370)	15%	20	32	31	1
COLLEGE INCOMPLETE	(189)	15%	26	34	24	1
COLLEGE GRADUATE	(330)	15%	25	41	19	*

*Less than ½%

Source: Opinion Research Corporation, April 1987

AWARENESS AND FAMILIARITY WITH HOME SHOPPING PROGRAMS

AMONG TRADITIONAL TV DIRECT RESPONSE SHOPPERS



Source: Jack Myers, Inc., Communications Group, January 1987

FAMILIARITY WITH TELEVISION HOMESHOPPING PROGRAMS BY DEMOGRAPHICS

There is a relatively new type of program on television—the home shopping program on which all kinds of merchandise are offered for sale. Viewers make their purchases by phoning in their orders on a toll-free line and paying by either credit card or check.

		PERCENT BY LEVEL OF HOMESHOPPING FAMILIARITY				
	(BASE)	VERY FAMILIAR	FAIRLY FAMILIAR	ONLY A LITTLE FAMILIAR	NOT AT ALL FAMILIAR	DON'T KNOW
TOTAL PUBLIC	(1001)	15%	22	34	28	1
NORTHEAST	(213)	19%	22	31	28	*
NORTH CENTRAL	(250)	13%	22	39	25	2
SOUTH	(340)	15%	20	33	31	1
WEST	(198)	13%	26	35	25	*
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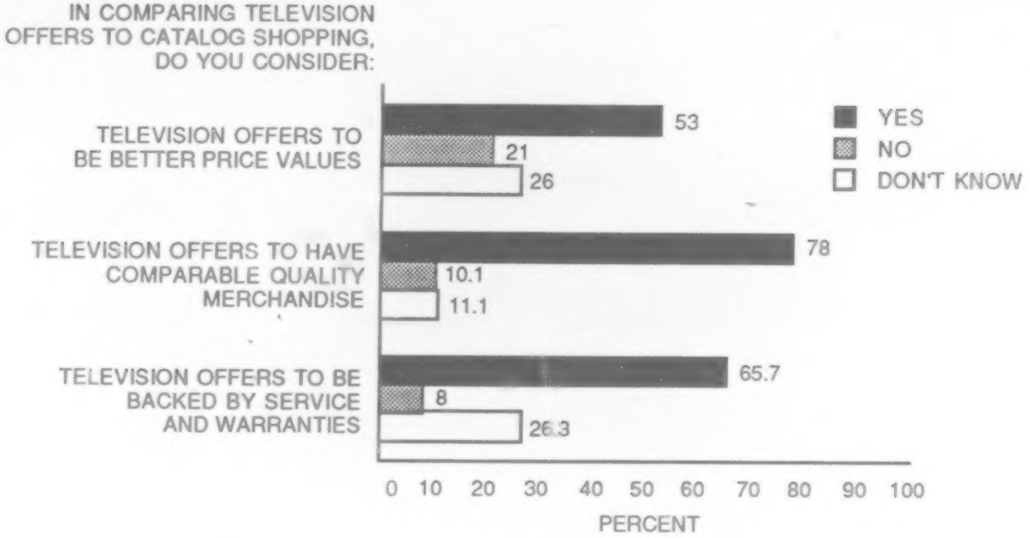
COLLEGE INCOMPLETE	(189)	15%	26	34	24	1
COLLEGE GRADUATE	(330)	15%	25	41	19	*

*Less than ½%

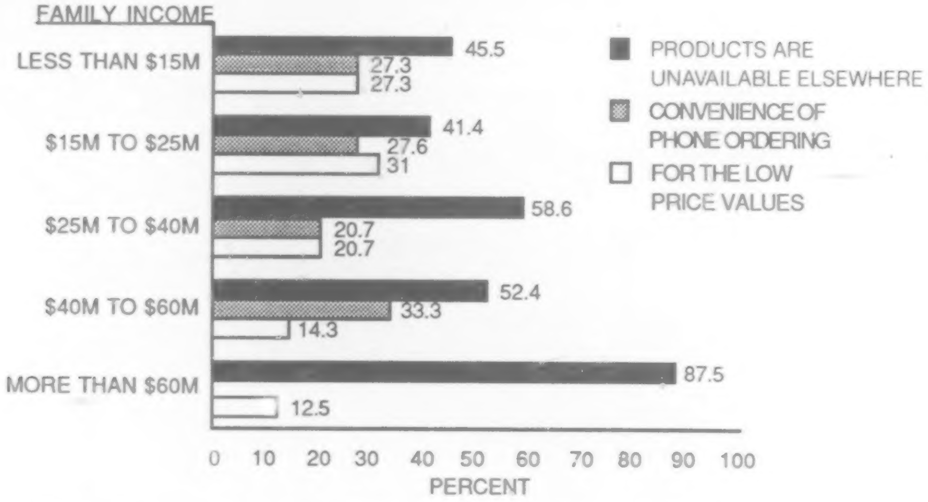
Source: Opinion Research Corporation, April 1987

TELEVISION OFFERS VS. CATALOG OFFERS



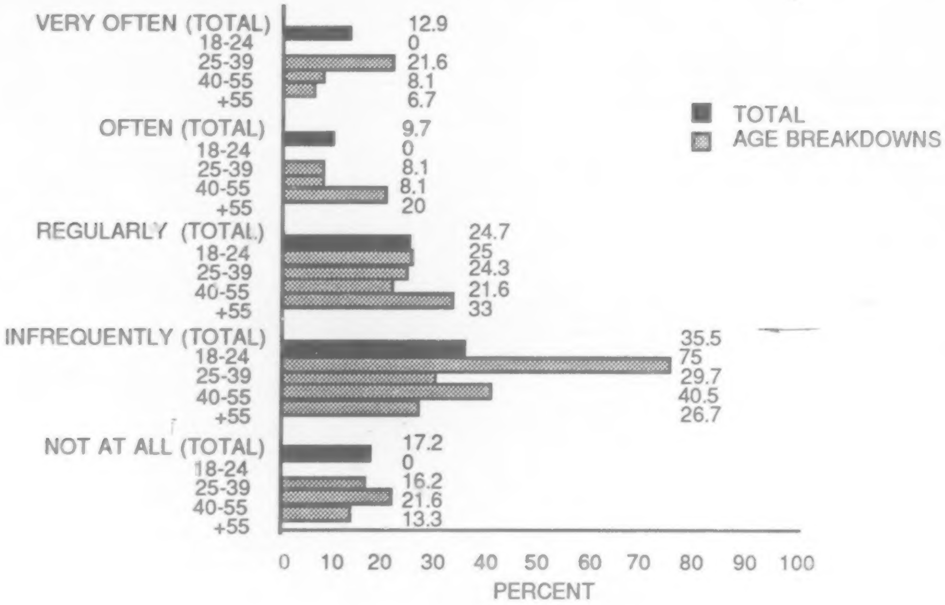
Source: Jack Myers, Inc., Communications Group, January 1987

REASON FOR PURCHASING PRODUCT VIA A HOMESHOPPING PROGRAM BY FAMILY INCOME



Source: Jack Myers, Inc., Communications Group, January 1987

FREQUENCY OF HOME SHOPPING PROGRAM VIEWERSHIP BY AGE OF VIEWER



Source: Jack Myers, Inc., Communications Group, January 1987

CONSUMER VIEWS ABOUT TELEVISION HOMESHOPPING PROGRAMS

	(BASE)	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	DON'T KNOW
"HOME SHOPPING PROGRAMS ARE A FAD THAT WILL NOT LAST VERY LONG."						
TOTAL PUBLIC	(1001)	17%	24	29	15	16
TOTAL FAMILIAR	(725)	16%	26	32	16	10
TOTAL WATCHED	(468)	16%	24	35	19	6
"IT IS TOO EASY FOR THESE PROGRAMS TO EXAGGERATE OR DISTORT THE DESCRIPTION OF AN ITEM BEING OFFERED FOR SALE."						
TOTAL PUBLIC	(1001)	37%	32	13	7	11
TOTAL FAMILIAR	(725)	38%	34	14	7	6
TOTAL WATCHED	(468)	40%	32	15	8	5

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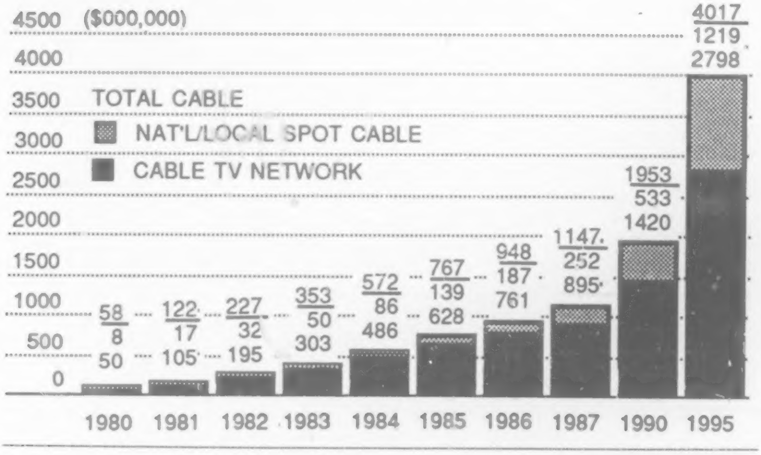
CONSUMER VIEWS ABOUT TELEVISION HOMESHOPPING PROGRAMS Cont'd.

"HOME SHOPPING PROGRAMS ARE A REAL CONVENIENCE FOR BUSY PEOPLE OR THOSE WHO CAN'T GET OUT TO SHOP."						
TOTAL PUBLIC	(1001)	30%	41	11	8	9
TOTAL FAMILIAR	(725)	32%	42	13	9	4
TOTAL WATCHED	(468)	33%	43	11	10	3
"IF YOU SHOP AROUND, YOU PROBABLY CAN FIND A LOWER PRICE FOR MOST ITEMS THAN THE PRICE ON A TV SHOPPING PROGRAM."						
TOTAL PUBLIC	(1001)	36%	28	11	6	19
TOTAL FAMILIAR	(725)	36%	28	13	7	15
TOTAL WATCHED	(468)	34%	30	15	9	12
"HOME SHOPPING PROGRAMS ENCOURAGE PEOPLE TO BUY, ON IMPULSE, MORE THAN THEY CAN AFFORD."						
TOTAL PUBLIC	(1001)	42%	28	12	8	10
TOTAL FAMILIAR	(725)	44%	29	13	7	7
TOTAL WATCHED	(468)	44%	29	14	7	6
"HOME SHOPPING PROGRAMS PROVIDE ENJOYABLE ENTERTAINMENT FOR MANY PEOPLE EVEN IF THEY BUY LITTLE OR NOTHING."						
TOTAL PUBLIC	(1001)	23%	36	15	14	12
TOTAL FAMILIAR	(725)	26%	39	15	14	6
TOTAL WATCHED	(468)	31%	42	13	12	3

Source: Opinion Research Corporation, April 1987

CABLE ADVERTISING EXPENDITURES 1980–95

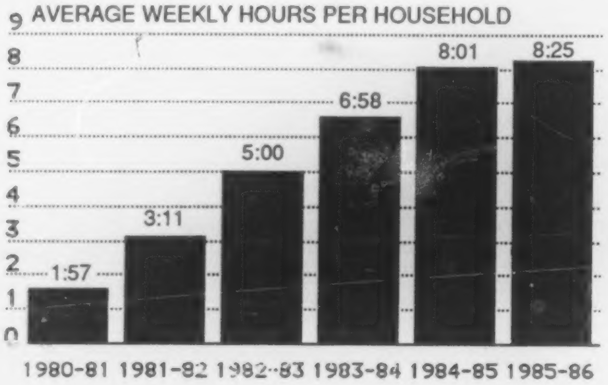


Source: Paul Kagan Associates, Inc., 1987

CABLE TV VIEWING ACTIVITY

WEEKLY HOURS PER HOUSEHOLD QUADRUPLES IN FIVE YEARS

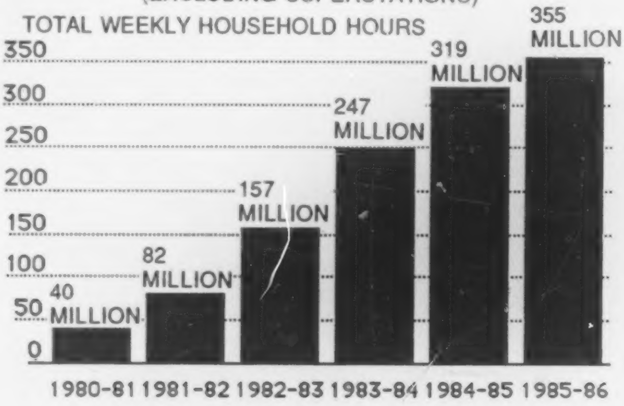
(EXCLUDING SUPERSTATIONS)



Source: CAB Analysis of A.C. Neilsen Data, 1987

TOTAL TIME SPENT INCREASES NINEFOLD WHEN COMPOUNDED WITH RISE IN CABLE HOUSEHOLDS

(EXCLUDING SUPERSTATIONS)

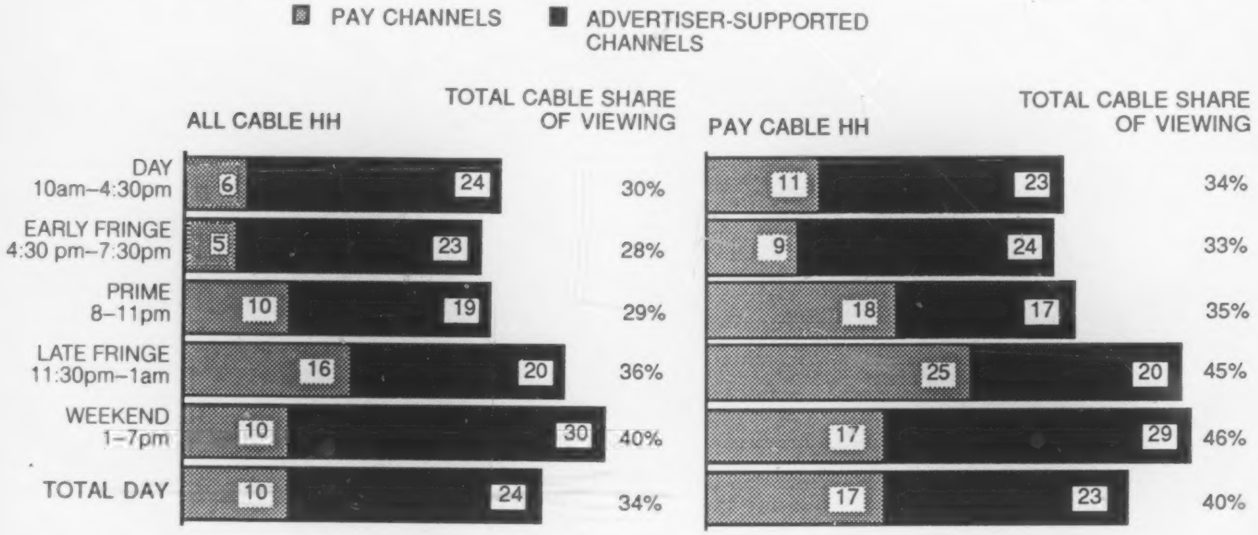


Source: CAB Analysis of A.C. Neilsen Data, 1987

CABLE TV VIEWING ACTIVITY

PAY CHANNELS VS. ADVERTISER-SUPPORTED CHANNELS

Viewing to advertiser-supported cable is higher in pay households than in basic only households. Overall viewing to advertiser-supported programming is greater than that to pay programming in the pay household.



Source: CAB Analysis of A.C. Neilsen Data, 1987

NATIONAL GROWTH IN CABLE SUBSCRIBERS AND HOUSEHOLD PENETRATION 1970–1986

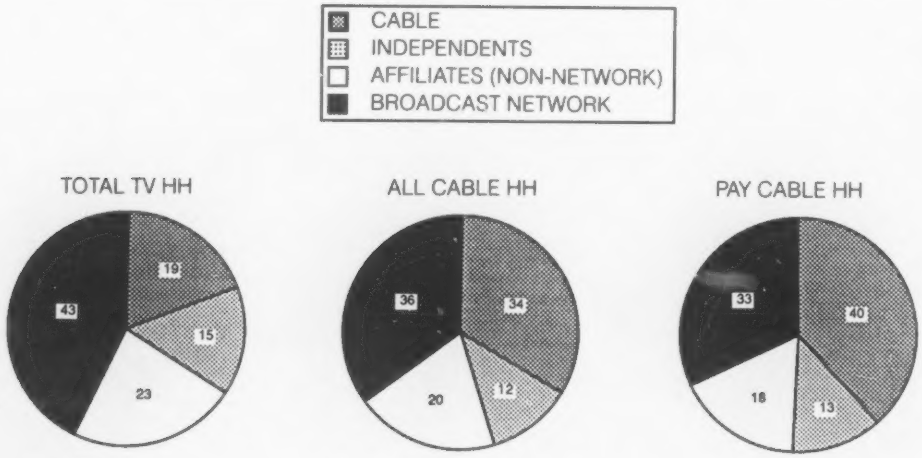
YEAR	CABLE SUBSCRIBERS (000)	HOUSEHOLD PENETRATION (%)	PAY SUBSCRIBERS (000)
1986	42,237	48.1	23,709
1985	39,873	46.2	24,165
1984	37,291	43.7	22,375
1983	33,794	40.5	21,151
1982	29,341	35.0	17,311
1981	23,219	28.3	11,842
1980	17,671	22.6	7,599
1975	9,197	13.2	NA
1970	4,498	7.5	NA

- Cable penetration projected to reach 50% by end of 1987.

Source: CAB Analysis of A.C. Neilsen Data, 1987

HOW VIEWERS DIVIDE THEIR TIME AMONG MAJOR PROGRAMMING SOURCES

These charts reflect the distribution of *all television viewing* (Mon-Sun, 24 hrs/day) among the major programming sources. For example, of all the viewing that takes place in cable households (center pie), 34% is to cable programming, 36% is to broadcast network, 20% is to affiliates (non-network programming) and 12% is to independents. Below the pie is a more detailed breakdown of viewership to each of these program sources.



	TOTAL TV HH	ALL CABLE HH	PAY CABLE HH
BROADCAST NETWORK			
PRIMETIME	19%	16%	15%
DAYTIME	12	11	9
EARLY MORNING	4	3	3
WEEKEND	4	3	3
LATE NIGHT	2	2	2
EARLY EVENING NEWS	2	1	1
TOTAL	43	36	33
CABLE			
SATELLITE NETWORKS	8	5	15
SUPERSTATIONS	6	9	8
PAY SERVICES	5	10	17
TOTAL	19	24	40
NETWORK AFFILIATES (NON-NETWORK PROGRAMMING)	23	20	18
INDEPENDENTS			
LOCAL	13	9	10
DISTANT	2	3	3
TOTAL	15	12	13
☐ **PUBLIC**	3	3	3

Source: CAB Analysis of A.C. Neilsen Data, 1987

CABLE PENETRATION AND PROJECTED HOUSEHOLDS

TOP 50 DESIGNATED MARKET AREAS RANKED BY TV HOUSEHOLDS
NIELSEN STATION INDEX ESTIMATES

RANK	DESIGNATED MARKET AREA	% PENETRATION MAY '87	% PENETRATION MAY '86	CABLE TV HH MAY '87	CABLE TV HH MAY '86	% CHANGE # OF CABLE HH MAY '86–'87
1	NEW YORK	41.2	40.0	2,799,870	2,682,670	+4.37
2	LOS ANGELES	39.0	37.6	1,761,400	1,646,050	+7.01
3	CHICAGO	33.9	30.1	1,037,870	907,030	+14.43
4	PHILADELPHIA	48.4	46.5	1,234,490	1,171,930	+5.34
5	SAN FRANCISCO–OAKLAND, SAN ROSA	53.6	49.2	1,129,450	1,016,770	+11.08
6	BOSTON, MANCHESTER	57.0	52.0	1,144,240	1,019,980	+12.18
7	DETROIT	42.1	39.2	702,240	651,870	+7.73
8	DALLAS-FT. WORTH	38.6	39.7	616,290	611,600	+.77
9	WASHINGTON, D.C., HAGERSTOWN	36.0	33.3	570,700	517,230	+10.34
10	CLEVELAND, AKRON	46.2	46.1	667,440	656,800	+1.62
11	HOUSTON	43.5	43.7	627,470	608,470	+3.12
12	ATLANTA	44.3	42.5	542,890	505,880	+7.53
13	PITTSBURGH	61.8	62.2	742,060	765,410	−3.15
14	TAMPA–ST. PETERSBURG	51.4	47.9	616,470	557,110	+10.65
15	SEATTLE–TACOMA	56.6	54.7	675,540	644,250	+4.86
16	MIAMI–FT. LAUDERDALE	51.3	46.1	611,200	535,980	+14.03
17	MINNEAPOLIS–ST. PAUL	38.3	30.5	450,030	352,810	+27.56
18	ST. LOUIS	38.8	36.1	408,410	377,270	+8.25
19	DENVER	47.1	42.9	473,160	425,900	+11.10
20	SACRAMENTO–STOCKTON	38.4	34.1	349,640	303,550	+15.18
21	PHOENIX	38.6	35.7	348,860	300,820	+15.97
22	BALTIMORE	35.3	31.5	313,400	275,370	+13.81
23	INDIANAPOLIS, LAFAYETTE	52.1	49.5	461,510	429,830	+7.37
24	HARTFORD & NEW HAVEN	71.7	68.6	582,700	550,680	+5.81
25	PORTLAND, OR	49.0	46.7	391,030	364,810	+7.19
26	SAN DIEGO	70.4	66.0	553,290	504,370	+9.70
27	ORLANDO–DAYTONA BEACH–MELBRN	57.5	55.7	430,670	398,570	+8.05
28	KANSAS CITY	48.9	47.6	347,310	335,140	+3.63
29	MILWAUKEE	43.4	37.5	304,360	260,260	+16.94
30	CINCINNATI	47.8	46.9	333,570	332,730	+.25
31	NASHVILLE	40.6	38.3	277,990	256,780	+8.26
32	CHARLOTTE	49.7	45.4	325,610	291,940	+11.53
33	NEW ORLEANS	54.7	53.9	351,760	342,140	+2.81
34	GREENVILLE–SPART–ASHEVILLE	41.9	40.6	261,780	248,950	+5.15
35	BUFFALO	59.4	56.6	365,890	347,830	+5.19
36	OKLAHOMA CITY	51.1	51.1	311.240	306,490	+1.55
37	COLUMBUS, OH	49.0	48.8	298,030	294,150	+1.32
38	RALEIGH–DURHAM	46.0	44.5	276,460	259,880	+6.38
39	BIRMINGHAM, ANNISTON	48.3	46.9	287,090	275,730	+4.12
40	GRAND RAPIDS–KALMZOO–B. CRK	53.1	51.0	311,070	294,350	+5.68
41	SALT LAKE CITY	38.2	35.3	222,940	205,270	+8.61
42	PROVIDENCE–NEW BEDFORD	55.5	53.8	323,010	308,270	+4.78
43	MEMPHIS	47.9	45.0	273,370	252,010	+8.48
44	SAN ANTONIO	63.2	62.6	335,820	324,390	+3.52
45	HARRISBURG–LANCSTER–LEB–YORK	60.3	58.5	318,120	305,330	+4,19
46	NORFOLK–PORSTMTH–NEWPORT NEWS	57.3	54.1	299,670	274,810	+9.05
47	WILKES BARRE–SCRANTON	68.5	68.7	354,170	354,650	−.14
48	LOUISVILLE	52.6	49.9	264,150	257,250	+2.68
49	CHARTLESTON–HUNTINGTON	63.6	62.5	315,540	312,150	+1.09
50	DAYTON	57.1	—	283,380	—	—

Source: A.C. Nielsen, 1987

CABLE PENETRATION BY REGION (1980–86)

NIELSEN MARKETING TERRITORY	1980	1982	1984	1986
NEW ENGLAND	19%	32%	44%	56%
METRO NEW YORK*	11	26	30	34
MIDDLE ATLANTIC	27	39	45	50
EAST CENTRAL	23	36	46	50
METRO CHICAGO*	1	8	21	29
WEST CENTRAL	19	31	41	46
SOUTHEAST	21	35	44	48
SOUTHWEST	22	37	47	50
GREATER LOS ANGELES*	12	22	29	36
REMAINING PACIFIC	28	38	46	49

*With franchising process now complete, rate of cable penetration growth projected to increase significantly.

Source: CAB Analysis of A.C. Nielsen Data, 1987

1985–1987 CABLE NETWORKS BY VIEWER/HOUSEHOLD PENETRATION

ADULT SUBSCRIBERS

TOTAL SUBSCRIBERS	FALL '84–'85 (000)	%	SPRING '85–'86 (000)	%	SPRING '86–'87 (000)	%	% CHANGE FROM '84–'85 TO '86–'87
TOTAL U.S. POPULATION	169,855	100.0	170,598	100.0	172,957	100.0	1.8
CABLE SUBSCRIBERS	73,454	43.2	75,994	44.5	83,368	48.2	13.5
PAY TV SUBSCRIBERS	45,546	26.8	47,124	27.6	46,999	27.2	3.2
CABLE NETWORKS				**AVERAGE WEEK CUME**			
ARTS & ENTERTAINMENT (A&E)	4,207	2.5	5,309	3.1	6,685	3.9	+58.9
BET	1,938	1.1	2,661	1.6	2,128	1.2	+ 9.8
COUNTRY MUSIC TELEVISION	5,824	3.4	5,958	3.5	6,225	3.6	+ 6.9
CNN (CABLE NEWS NETWORK)	23,630	13.9	25,701	15.1	34,683	20.1	+46.8
CNN (HEADLINE NEWS)	14,647	8.6	16,330	9.6	8,622	5.0	-69.9
CBN CABLE NETWORK	10,887	6.4	11,713	6.9	18,292	10.6	+68.0
C-SPAN	3,390	2.0	3,292	1.9	—	—	- 2.9*
ESPN (ENT. & SPORTS PGM. NETWORK)	25,222	14.8	27,441	16.1	31,441	18.2	+24.7
FNN (FINANCIAL NEWS NETWORK)	1,627	1.0	1,331	.8	1,469	.8	-10.8
THE LEARNING CHANNEL	1,364	.8	1,935	1.1	1,976	1.1	+44.9
LIFETIME	5,489	3.2	6,974	4.1	8,502	4.9	+54.9
MTV (MUSIC TELEVISION)	17,257	10.2	18,406	10.8	19,773	11.4	+14.6
THE NASHVILLE NETWORK	9,099	5.4	10,053	5.9	14,298	8.3	+57.1
NICK AT NITE	—	—	—	—	6,255	3.6	—
NICKELODEON	7,441	4.4	9,596	5.6	10,465	6.1	+40.6
SPN (SATELLITE PROGRAM NETWORK)	1,960	1.2	1,929	1.1	—	—	- 1.6*
SIN	984	.6	—	—	1,231	.7	+25.1
TEMPO TELEVISION	—	—	—	—	1,120	.6	—
USA NETWORK	15,157	8.9	16,983	10.0	18,799	10.9	+24.0
VH-1 (VIDEO HITS ONE)	—	—	3,552	2.1	5,322	3.1	+49.8**
THE WEATHER CHANNEL	15,770	9.3	17,837	10.5	20.050	11.6	+27.1
WGN-TV	14,778	8.7	16,465	9.7	18,529	10.7	+25.4
WOR-TV	7,207	4.2	7,320	4.3	5,739	3.3	-27.6
WPIX-TV	—	—	4,094	2.4	3,791	2.2	- 7.9**
WTBS	25,555	15.0	27,162	15.9	32,543	18.8	+27.3
PAY TV SERVICES							
CINEMAX	7,070	4.2	8,442	4.9	8,029	4.6	+13.6
THE DISNEY CHANNEL	3,811	2.2	4,808	2.8	6,150	3.6	+61.4
HOME BOX OFFICE (HBO)	29,795	17.5	30,539	17.9	28,467	16.5	- 4.7
MOVIE CHANNEL	6,437	3.8	7,378	4.3	6,173	3.6	- 4.3
PLAYBOY CHANNEL	1,169	.7	1,340	.8	—	—	+14.6*
SHOWTIME	10,834	6.4	11,267	6.6	10,545	6.1	- 2.7

* % Change from '84–'85 to '85–'86

** % Change from '85–'86 to '86–'87

Source: Mediamark Research Inc. Fall 1985, Spring 1986, Spring 1987

CABLE NETWORKS BY VIEWER/HOUSEHOLD

PENETRATION: MARCH '86–FEBRUARY '87

	ADULTS (000)	ADULTS %	MEN (000)	MEN %	WOMEN (000)	WOMEN %	MEDIAN AGE ADULTS	MEDIAN AGE MEN	MEDIAN AGE WOMEN	MEDIAN H/D INCOME ADULTS	MEDIAN H/D INCOME MEN	MEDIAN H/D INCOME WOMEN
TOTAL U.S. POPULATION	172,957	100.0	82,458	100.0	90,499	100.0	40.4	39.3	41.5	31,439	33,432	29,362
CABLE SUBSCRIBERS	83,368	48.2	40,327	48.9	43,041	47.6	40.1	39.6	40.7	35,501	37,013	33,806
PAY TV SUBSCRIBERS	46,999	27.2	23,356	28.3	23,643	26.1	36.4	36.7	36.0	39,224	39,881	38,371
CABLE NETWORKS	**AVERAGE WEEK CUME**											
A&E (ARTS & ENTERTAINMENT)	6,685	3.9	3,176	3.9	3,509	3.9	43.2	43.1	43.2	37,531	37,981	36,815
BET (BLACK ENTERTAINMENT TV)	2,128	1.2	1,055	1.3	1,073	1.2	36.7	37.3	36.3	23,788	23,399	24,468
COUNTRY MUSIC TELEVISION	6,225	3.6	3,195	3.9	3,030	3.3	43.4	42.6	44.5	31,955	33,566	29,425
CNN (CABLE NEWS NETWORK)	34,683	20.1	19,020	23.1	15,663	17.3	42.8	41.6	44.3	36,198	37,842	33,640
CBN CABLE NETWORK	18,292	10.6	8,832	10.7	9,460	10.5	41.3	40.5	42.1	32,878	35,194	30,086
ESPN (ENT. & SPORTS PGM. NETWORK)	31,441	18.2	20,967	25.4	10,474	11.6	38.3	38.2	38.7	36,002	36,795	34,204
FNN (FINANCIAL NEWS NETWORK)	1,469	.8	954	1.2	515	.6	45.3	50.8	41.3	43,571	42,316	48,400
HEADLINE NEWS (CNN)	8,622	5.0	5,017	6.1	3,605	4.0	40.7	40.3	41.2	35,169	36,629	32,382
THE LEARNING CHANNEL	1,976	1.1	852	1.0	1,124	1.2	44.6	44.1	44.9	35,120	40,236	30,531
LIFETIME	8,502	4.9	3,433	4.2	5,069	5.6	40.2	41.5	38.9	35,310	36,430	34,729
MTV (MUSIC TELEVISION)	19,773	11.4	9,702	11.8	10,071	11.1	28.2	28.0	28.3	38,222	38,797	37,418
THE NASHVILLE NETWORK	14,298	8.3	7,642	9.3	6,656	7.4	43.8	42.6	45.3	32,630	35,411	28,689
NICK AT NITE	6,255	3.6	2,982	3.6	3,273	3.6	34.8	34.6	35.1	33,892	35,060	32,960
NICKELODEON	10,465	6.1	5,036	6.1	5,429	6.0	34.7	34.2	35.1	35,713	36,567	34,828
SIN	1,231	.7	749	.9	482	.5	36.4	38.2	32.2	28,855	30,882	25,667
TEMPO TELEVISION	1,120	.6	664	.8	456	.5	33.6	34.1	32.0	33,592	40,851	29,458
USA NETWORK	18,799	10.9	10,843	13.1	7,956	8.8	36.2	36.5	35.5	35,124	37,356	32,401
VH-1 (VIDEO HITS ONE)	5,322	3.1	2,532	3.1	2,790	3.1	28.4	29.2	27.4	40,259	38,869	41,548
THE WEATHER CHANNEL	20,050	11.6	10,078	12.2	9,972	11.0	43.9	43.9	43.9	36,922	37,361	36,471
WGN-TV	18,529	10.7	9,706	11.8	8,823	9.7	38.1	37.7	38.6	33,293	35,781	30,508
WOR-TV	5,739	3.3	3,244	3.9	2,495	2.8	43.4	41.5	45.7	36,268	40,956	32,331
WPIX-TV	3,791	2.2	2,266	2.7	1,525	1.7	38.8	38.1	39.6	37,507	41,994	33,142
WTBS	32,543	18.8	17,690	21.5	14,853	16.4	38.8	38.4	39.3	33,381	34,758	31,491
PAY TV SERVICES												
CINEMAX	8,029	4.6	4,228	5.1	3,801	4.2	32.8	33.2	32.4	37,535	38,195	36,707
THE DISNEY CHANNEL	6,150	3.6	3,039	3.7	3,111	3.4	36.0	36.7	35.3	37,431	38,621	35,035
HBO (HOME BOX OFFICE)	28,467	16.5	14,641	17.8	13,826	15.3	36.0	36.8	35.3	40,455	41,370	39,455
MOVIE CHANNEL	6,173	3.6	3,274	4.0	2,899	3.2	35.7	36.3	34.8	37,789	39,674	34,226
SHOWTIME	10,545	6.1	5,550	6.7	4,995	5.5	34.8	35.0	35.0	38,392	39,055	37,505

Source: Mediamark Research Inc. Spring 1987

VIEWING DIFFERENCES IN CABLE VS. NON-CABLE HOUSEHOLDS

(MON–SUN, 24-HOUR SHARES)

	TOTAL TV HH	NON-CABLE HH	ALL CABLE HH	PAY CABLE HH
BROADCAST AFFILIATES				
ABC	21%	24%	17%	16%
CBS	22	26	19	17
NBC	22	26	20	18
TOTAL	66	77	56	51
OTHER BROADCAST				
INDEPENDENT	15	19	12	13
PUBLIC	3	4	3	3
AD-SUPPORTED CABLE				
SATELLITE NETWORKS	8	—	15	15
SUPERSTATIONS	6	4	9	8
TOTAL	14	4	24	23
PAY CABLE	5	—	10	17
TOTAL CABLE SERVICES	19	4	34	40

Note: Total may exceed 100% due to rounding and multi-set usage.

Source: CAB Analysis of A.C. Neilsen Data, 1987

CABLE SUBSCRIBER DEMOGRAPHICS VS. USERS OF OTHER MEDIA

Cable offers advertisers an important competitive edge over other media. Cable viewers are younger, better educated, more affluent, hold higher level employment and live in larger households.

HOUSEHOLD INCOME	**TOTAL U.S.**	**CABLE NETWORK[1]**	**PRIME TIME BROADCAST[2]**	**RADIO[3]**	**NEWSPAPER[4]**	**MAGAZINE[5]**
$40,000+	100	119	99	105	114	104
$30,000–$39,999	100	116	101	104	106	104
$20,000–$29,999	100	98	102	102	96	100
$10,000–$19,999	100	82	101	95	94	99
Under $10,000	100	56	98	84	71	85
OCCUPATION						
EXECUTIVE/ MANAGERIAL/ ADMINISTRATIVE	100	119	100	109	117	104
PROFESSIONAL	100	111	97	107	110	105
CLERICAL/SALES/ TECHNICAL	100	114	102	110	108	105
OTHER EMPLOYED	100	102	98	105	92	100
NOT EMPLOYED	100	86	101	88	97	96
HOUSEHOLD SIZE						
5+ PERSONS	100	109	97	103	93	101
3 OR 4	100	112	102	104	101	102
2	100	92	101	97	107	100
1	100	66	97	90	88	93
AGE						
18–34	100	104	97	111	87	103
35–44	100	111	102	102	103	101
45–54	100	110	103	99	112	101
55+	100	83	102	83	110	95
EDUCATION						
COLLEGE GRADUATE	100	116	98	106	110	105
ATTENDED COLLEGE	100	112	97	107	107	105
HS GRADUATE	100	105	103	101	102	103
NOT HS GRADUATE	100	79	99	89	83	90

[1] Past seven days
[2] Monday-to-Saturday, 8–11pm, and Sunday, 7–11pm
[3] Monday-to-Friday, 24 hour period
[4] Monday-to-Friday; looked at or read any issue day before
[5] Weeklies read past week, monthlies read past month

Source: CAB Analysis of MRI Data, 1987

DIRECT RESPONSE MEDIA RESEARCH STUDIES

- **Simmons Market Research Bureau, Study of Media and Markets, 1985**

  Total Sample Size: 19,159 adults
  Research Method: Self-administered questionnaires & Personal interviews

- **Simmons Market Research Bureau, Study of Media and Markets, 1986**

  Total Sample Size: 19,146 adults
  Research Method: Self-administered questionnaires & Personal interviews

- **Strategic Futures, The Future of Catalog Marketing and Production: 1984–1989, September 1985**

  This is a multi-client sponsored research project.

  Total Sample Size: 4,065 catalogs
  Research Method: a. Analysis of sample catalogs
  b. Combination of mail & telephone interviews of 1,503 people who are representative of people in the catalog field.

- **Kestnbaum & Company, CatalogScan, Fall 1983, 1984, 1985**

  Total Sample Size: 265 catalogs
  Research Method: Database Search

- **DMA Research Department, Marketing Council, Management Survey of Current Direct Marketing Practices and Trends, August 1986**

  Total Sample Size: 4,550 companies
  Number of Respondents: 1,001 companies——— DMA Users: 640
  DMA Service Cos.: 361
  Response Rate: 22%
  Research Method: Mail Survey

- **Schlenker Research Services, Telemarketing Intelligence: The Current Use and Anticipated Growth of Telemarketing in American Business, June 1987**

  There are three separate segments in this study:

  A. In-House Operations Study; Sample Size: 707 companies
  B. Service Bureau Study; Sample Size: 64 companies
  C. Consumer Attitudes Study; Sample Size: 600 consumers

  Research Method: Telephone interviews with all segments

- **DMA Research Department, Telephone Marketing Council Employment Survey II, October 1986**

  Total Sample Size: 866 companies
  Number of Respondents: 181 companies
  Response Rate: 21%
  Research Method: Mail Survey

- **United States Telephone Association, Annual Statistical Volume, 1987**

  Total Sample Size: 1,404 reporting companies
  Number of Respondents: 650 reporting companies
  Response Rate: 46.58%
  Research Method: Mail Survey

- **Jack Myers, Inc. Communications Group, Research Among Purchasers of Television Direct Response Offers, 1987**

  Total Sample Size: 2,000 adults
  Research Method: Personal Interviews

- **Opinion Research Corporation, Issue Watch: Public Awareness of TV Home Shopping Programs, March, 1987**

  Total Sample Size: 1,001 adults——— men: 500/women: 501
  Research Method: Telephone interviews

LISTS/DATABASES

NUMBER OF LISTS BY CATEGORIES THAT HAVE BEEN LISTED IN SRDS DIRECT MAIL LIST RATES AND DATA DIRECTORY 1977–1987

ISSUE	BUSINESS	CONSUMER	FARM	CO-OP	COMPILER	BROKER	MANAGER	TOTAL
JAN. '77	4168	2915	74	88	36	110	66	7457
JAN. '78	4371	3193	80	206	39	108	71	8068
JAN. '79	4608	3541	82	263	41	121	81	8737
JAN. '80	4446	3776	93	317	40	131	89	8892
JAN. '81	4310	3853	93	389	41	133	92	8911
JAN. '82	4258	4029	100	415	39	140	100	9081
JAN. '83	4409	4386	102	437	41	146	105	9626
JAN. '84	4345	4280	97	361	37	177	123	9420
JAN. '85	4282	4671	96	397	37	208	130	9821
JAN. '86	4247	4969	102	445	36	250	144	10193
JAN. '87	4360	5123	100	509	31	303	155	10581
JULY '87	4309	5280	100	539	32	324	173	10757

Source: Standard Rate and Data Service, Publisher of Direct Mail List Rates and Data, 1987

CUSTOMER LIST USAGE STRATEGIES

STRATEGY	CURRENT STRATEGY		FUTURE STRATEGY	
	FREQUENTLY	SOMETIMES	MORE	SAME
CROSS-SELLING DM PRODUCT LINES	41%	24%	61%	17%
CROSS-SELLING ACROSS DM TO RETAIL	11%	16%	30%*	36%
UPGRADING SALES	42%	31%	71%	12%
RE-SELLING CUSTOMERS	64%	19%	71%	12%

*RETAILERS = 45%

Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey 1986

DIRECT MARKETER'S ATTITUDES ABOUT INDUSTRY GROWTH/ MAJOR ISSUES NOW AND FOR DIRECT MARKETING IN THE FUTURE

ISSUE	% BELIEVE MAJOR COMPANY PROBLEM	% BELIEVE INCREASING INDUSTRY PROBLEM	
		DM USER	DM SERVICE CO.
1) FINDING NEW LISTS	48%	74%	69%
2) DECREASING RESPONSE FROM LISTS	42%	71%	65%
3) COST OF NEW CUSTOMER NAMES	41%	71%	65%
4) INCREASING NUMBER OF NEW MAIL ORDER CUSTOMERS	40%	61%	50%
5) COST OF NEW LISTS	34%	67%	61%
6) DUPLICATE NAMES NEW VS. HOUSE LIST	27%	71%	58%
7) 85% NET NAME RULE	21%	47%	45%
8) WILLINGNESS TO RENT NAMES	12%	41%	38%

Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

DMA MAILING LIST USAGE REPORT 1985–1986

The latest List Usage Survey, conducted by DMA's List Council in the Spring of 1987, confirms the continued growth and strength of direct marketing as reflected in list usage. Increases are strong across all business categories. The following statistics highlight and compare the findings of the 1986 and 1987 List Usage studies, reporting 1985 and 1986 statistics. Please note that all number values are percentages, except those indicated as the base of respondents (N).

CRITERIA		ALL COMPANIES		CONSUMER CATALOG PRODUCTS		BUSINESS CATALOG PRODUCTS		CONSUMER PUBLICATIONS		BUSINESS PUBLICATIONS	
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86	%85	%86
# OF PIECES MAILED	N =	378	399	143	162	63	69	34	24	29	33
UNDER 3MM		47	46	48	49	59	55	29	33	66	46
3–10MM		27	26	25	24	22	23	35	46	14	30
11–20MM		9	10	10	9	2	6	18	13	14	12
OVER 20MM		16	17	17	17	18	15	18	8	7	9
NO ANSWER		1	2	1	1	—	1	—	—	—	3
AVERAGE*		7.8MM	9.5MM	8.0MM	9.2MM	6.9MM	8.4MM	9.4MM	8.4MM	6.4MM	7.9MM
# OF PIECES MAILED	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		71	68	71	69	79	68	62	50	79	67
DECREASED		13	13	15	14	3	10	18	25	7	15
UNCHANGED		15	20	13	17	18	22	21	21	14	18
NO ANSWER		1	1	2	1	—	—	—	4	—	—
		+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −
PERCENT CHANGE	N =	266/50	266/52	100/21	111/22	50/2	47/7	21/6	12/6	22/2	22/5
UNDER 5%		8/12	3/2	6/14	5/—	10/—	2/—	10/17	—/—	14/50	— —
5–10%		31/32	21/25	27/48	19/32	32/—	32/14	33/17	25/17	46/—	32/20
11–20%		21/22	20/21	25/24	20/14	16/—	13/14	29/17	17/33	14/—	32/40
21–30%		11/6	12/15	10/—	12/14	8/50	6/14	10/—	8/17	14/—	5/—
OVER 30%		29/28	29/19	32/14	34/23	34/50	36/29	19/50	33/—	14/50	9/20
AVERAGE*		18/16	45/23	18/12	46/23	17/28	68/29	16/20	25/20	14/18	30/22
OUTSIDE NAME USAGE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		59	54	57	59	71	57	59	46	62	52
DECREASED		18	13	21	17	11	9	18	21	14	9
UNCHANGED		21	31	20	23	16	33	24	33	24	39
NO ANSWER		2	2	3	1	2	1	—	—	—	—
		+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −
% CHANGE/OUTSIDE USAGE	N =	222/66	217/52	81/30	96/27	44/7	39/6	20/6	11/5	17/4	17/3
UNDER 5%		8/12	3/2	6/10	1/4	9/29	8/—	10/17	—/—	6/—	—/—
5–10%		31/23	17/14	24/27	17/19	30/14	10/17	35/17	18/—	53/—	29/—
11–20%		21/24	14/27	22/30	12/22	21/14	18/17	25/—	36/40	18/—	18/67
21–30%		19/12	10/6	12/17	10/4	9/—	10/—	10/17	18/20	—/25	6/33
OVER 30%		32/29	36/27	36/17	43/33	32/43	33/33	20/50	18/—	24/75	18/—
AVERAGE*		18/18	63/29	19/16	71/30	18/18	86/29	16/21	26/23	14/29	44/20
HOUSE FILE USAGE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		67	55	74	64	78	52	47	38	68	42
DECREASED		10	7	11	5	3	9	15	8	3	18
UNCHANGED		21	37	13	30	18	39	35	54	31	36
NO ANSWER		2	2	2	1	2	—	3	—	—	3
		+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −
% CHANGE/HOUSE FILE	N =	252/36	218/28	105/15	104/8	48/2	36/6	16/5	9/2	19/1	14/6
UNDER 5%		13/22	4/7	12/4	3/13	6/50	8/—	19/—	—/—	32/—	—/17
5–10%		29/36	19/21	21/5	19/13	38/50	11/17	31/60	44/—	21/—	43/33
11–20%		20/28	19/18	22/4	20/25	23/—	22/33	31/40	—/—	21/—	21/17
21–30%		11/6	12/7	11/1	15/—	10/—	11/17	13/—	11/—	5/—	—/—
OVER 30%		27/8	26/21	33/—	27/25	23/—	22/17	6/—	22/50	21/100	14/—
AVERAGE*		17/12	47/26	19/10	45/27	16/6	92/22	13/11	31/50	14/30	17/9
UP-FRONT RESPONSE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		56	44	57	44	56	46	47	63	38	33
DECREASED		23	18	20	18	11	15	41	21	21	21
UNCHANGED		22	35	20	33	29	38	9	17	31	42
NO ANSWER		5	3	4	5	5	1	3	—	10	3
		+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −
% CHANGE	N =	195/81	176/72	80/28	71/29	35/7	32/10	15/14	15/5	11 6	11/7
UNDER 5%		24/31	5/17	18/29	6/28	34/43	3/10	33/50	—/—	27/50	—/14
5–10%		30/32	26/26	30/46	28/17	26/—	25/40	20/29	20/60	27/—	27/43
11–20%		22/25	21/21	21/14	20/21	23/57	13/10	13/21	20/20	18/17	27/14
21–30%		10/9	12/6	11/7	7/7	14/—	16/—	7/—	7/—	9/—	18/14
OVER 30%		14/4	11/7	20/4	11/7	3/—	19/—	27/—	13/20	18/33	18/—
AVERAGE*		14/11	22/14	15/10	19/13	11/11	36/9	15/8	23/15	14/15	27/13

*Please note that the averages for the 1986 figures were computed based on *individual* company percent changes. The 1985 averages were based on data grouped within the 5–10%, 11–20% etc ranges. Therefore, in some areas, it appears that there is a wide variance in the averages between 1985 and 1986— However, because of the change in computation, these numbers are no longer comparable.

CRITERIA		CLUBS/ CONTINUITIES		NON-PROFIT/ FUNDRAISING		FINANCIAL SERV. INSURANCE		ALL OTHER*	EDUCATIONAL*
N= BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86
# PIECES MAILED	N =	13	10	25	21	58	62	13	11
UNDER 3MM		23	20	24	19	48	42	54	64
3–10MM		46	30	40	19	31	27	15	18
11–20MM		8	10	16	24	5	10	15	9
OVER 20MM		23	10	20	10	16	3	—	—
NO ANSWER		—	30	—	29	—	15	15	9
AVERAGE		9.5MM	15.7MM	9.8MM	16.5MM	7.4MM	10.0MM	5.9MM	7.2MM
# PIECES MAILED	N =	13	10	25	21	58	62	13	11
INCREASED		62	60	68	48	74	73	39	82
DECREASED		8	20	20	19	12	10	46	—
UNCHANGED		31	20	12	33	12	18	15	18
NO ANSWER		—	—	—	—	2	—	—	—
		+ –	+ –	+ –	+ –	+ –	+ –	+ –	+ –
PERCENT CHANGE	N =	8/1	6/2	17/5	10/4	43/21	45/6	5/6	9 –
UNDER 5%		25/—	17/—	6/20	10/25	2/—	—/—	20/—	—/—
5–10%		—/100	—/50	59/20	20/25	21/14	11/17	60/33	22/—
11–20%		25/—	50/50	29/40	30/25	19/14	16/17	—/17	44/—
21–30%		13/—	17/—	6/20	10/25	19/—	20/33	20/17	11/—
OVER 30%		38/—	17/—	—/—	10/—	40/71	29/33	—/33	—/—
AVERAGE		20/8	22/15	11/14	20/14	21/25	41/34	11/19	16/—
OUTSIDE NAME USAGE	N =	13	10	25	21	58	62	13	11
INCREASED		62	60	44	38	59	52	54	36
DECREASED		8	10	24	14	17	11	15	—
UNCHANGED		31	30	28	43	21	34	31	64
NO ANSWER		—	—	4	5	3	3	—	—
		+ –	+ –	+ –	+ –	+ –	+ –	+ –	+ –
% CHANGE/OUTSIDE USAGE	N =	8/1	6/1	11/6	8/3	34/10	32/7	7/2	4/—
UNDER 5%		25/100	—/—	18/—	—/—	3/10	3/—	14/—	—/—
5–10%		25/—	11/—	55/33	38/33	24/10	13/—	57/50	25/—
11–20%		13/—	33/—	—/33	13/67	27/30	3/14	14/50	25/—
21–30%		13/—	—/—	18/17	—/—	—/10	16/—	—/—	—/—
OVER 30%		25/—	33/—	9/17	13/—	47/40	50/43	14/—	—/—
AVERAGE		16/5	34/—	12/17	19/12	20/21	53/45	12/12	9/—
HOUSE FILE USAGE	N =	13	10	25	21	58	62	13	11
INCREASED		62	40	60	57	59	44	54	82
DECREASED		8	—	12	10	12	7	23	—
UNCHANGED		23	50	28	29	24	47	23	18
NO ANSWER		8	10	—	5	5	3	—	—
		+ –	+ –	+ –	+ –	+ –	+ –	+ –	+ –
% CHANGE/HOUSE FILE USAGE	N =	8/1	4/0	15/3	12/2	34/7	27/4	7/2	9/—
UNDER 5%		13/—	25/—	20/33	8/—	6/29	4/—	14/—	—/—
5–10%		38/—	—/—	47/—	25/100	29/43	15/—	57/—	11/—
11–20%		25/100	—/—	7/67	25/—	12/14	11/—	14/—	33/—
21–30%		—/—	—/—	20/—	17/—	12/—	7/25	—/50	—/—
OVER 30%		25/—	75/—	7/—	8/—	41/14	44/50	14/50	—/—
AVERAGE		15/16	64/—	13/12	15/8	20/11	38/58	12/28	15/—
UP-FRONT RESPONSE	N =	13	10	25	21	58	62	13	11
INCREASED		62	40	56	33	48	45	46	55
DECREASED		31	50	24	33	24	13	15	—
UNCHANGED		—	10	12	29	22	39	31	46
NO ANSWER		8	—	8	5	5	3	8	—
		+ –	+ –	+ –	+ –	+ –	+ –	+ –	+ –
% CHANGE	N =	8/4	4/5	13/6	7/7	27/14	28/8	6/2	6/—
UNDER 5%		13/—	—/—	31/17	14/29	22/21	7/—	17/—	17/—
5–10%		38/75	—/60	31/33	14/—	37/21	29/13	50/50	17/—
11–20%		38/—	75/20	31/17	29/43	19/50	18/25	33/—	50/—
21–30%		13/25	25/—	—/33	14/—	11/7	21/13	—/—	—/—
OVER 30%		—/—	—/—	8/—	—/—	11/—	7/13	—/50	—/—
AVERAGE		12/12	20/9	11/14	12/11	13/12	18/23	10/19	13/—

*In the 1985 survey, the majority of companies in the "all other" section listed themselves in "education". In the 1986 survey, an "education" classification was created and the "all other" cell was too small to include.

DMA MAILING LIST USAGE REPORT 1985–1986

CRITERIA		ALL		CONSUMER CATALOG PRODUCTS		BUSINESS CATALOG PRODUCTS		CONSUMER PUBLICATIONS		BUSINESS PUBLICATIONS	
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86	%85	%86
BACK END PERFORMANCE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		41	36	43	35	44	49	35	38	35	21
DECREASED		15	13	15	13	14	6	15	25	17	24
UNCHANGED		31	43	28	43	30	41	41	38	31	42
NO ANSWER		9	8	13	10	11	4	9	—	17	12
		+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −	+ −
PERCENT CHANGE	N =	151/54	144/52	62/21	56/21	28/9	34/4	11/5	9/6	9/5	7/8
UNDER 5%		26/30	4/14	21/29	4/24	32/22	3/—	36/80	—/—	11/40	—/—
5–10%		36/37	25/35	29/47	32/19	39/56	27/75	36/—	22/50	67/20	14/63
11–20%		20/20	22/17	23/19	20/10	14/22	12/25	18/—	22/33	22/—	57/25
21–30%		7/7	8/6	13/—	4/14	4/—	9/—	—/—	11/—	—/20	—/—
OVER 30%		11/6	8/6	15/5	7/10	11/—	15/—	8/20	—/17	—/20	14/—
AVERAGE*		12/11	20/13	14/9	19/14	11/8	25/11	10/10	17/14	9/15	21/12
86, 87 MARKET OUTLOOK	N =	378	399	143	162	63	69	34	24	29	33
BETTER THAN PREVIOUS YEAR		73	71	75	77	81	74	56	54	59	61
SAME AS PREVIOUS YEAR		17	15	18	15	13	13	38	29	21	21
WORSE THAN PREVIOUS YEAR		9	13	7	7	5	13	6	17	20	18
86, 87 PIECES MAILED	N =	378	399	143	162	63	69	34	24	29	33
WILL INCREASE		66	67	69	70	71	71	59	50	69	67
WILL DECREASE		12	12	11	14	10	4	21	29	3	6
UNCHANGED		21	20	20	15	19	25	21	21	24	27
LIST TECHNIQUES USED TO	N =	378	399	143	162	63	69	34	24	29	33
IMPROVE UPFRONT & BACKEND RESULTS											
MERGE/PURGE		79	86	80	86	60	76	88	95	72	78
DATABASE MKTG.		54	66	48	61	62	70	50	54	59	88
PSYCHOGRAPHIC SEGMENTATION		31	20	29	19	14	7	38	25	24	9
DEMOGRAPHIC SEGMENTATION		62	56	56	48	52	47	65	58	62	48
OUTSIDE CONSULTANTS		41	37	41	38	25	33	56	29	41	27
BAD DEBT PRESCREEN		31	32	29	30	32	32	38	38	28	42
LIST ENHANCEMENT TECHNIQUES		65	—	63	—	59	—	62	—	62	—
REMAILING TO MULTIBUYERS		—	71	—	81	—	66	—	62	—	70
DEMOGRAPHIC SCREENS		—	32	—	28	—	21	—	37	—	21
STATISTICAL ANALYSIS/MODELING/SCORING		—	38	—	35	—	24	—	55	—	33
GEO. SEGMENTATION		—	55	—	51	—	43	—	46	—	45
PRIOR MAIL HISTORY ANALYSIS		—	71	—	73	—	62	—	96	—	82
LIST RENTAL AVAILABILITY	N =	378	399	143	162	63	69	34	24	29	33
NOT AVAILABLE		39	41	20	24	52	58	21	13	31	24
RENTAL ONLY		10	12	7	13	16	15	6	13	21	24
EXCHANGE ONLY		5	5	6	7	5	4	9	—	3	3
RENT & EXCHANGE		46	42	67	56	25	23	65	75	41	46
LIST RENTAL INCOME	N =	197	234	100	122	25	29	21	21	17	24
GREATER THAN PREVIOUS YEAR		61	68	64	75	72	50	67	86	59	61
SAME AS PREVIOUS YEAR		24	23	19	20	24	39	10	10	35	26
LESS THAN PREVIOUS YEAR		14	9	17	5	4	12	24	5	6	13
85, 86 RENTAL/EXCHANGE QUANTITY	N =	N/A	234	N/A	122	N/A	29	N/A	21	N/A	24
GREATER THAN PREVIOUS YEAR		—	68	—	75	—	52	—	71	—	67
SAME AS PREVIOUS YEAR		—	21	—	16	—	35	—	24	—	21
LESS THAN PREVIOUS YEAR		—	8	—	7	—	7	—	—	—	13

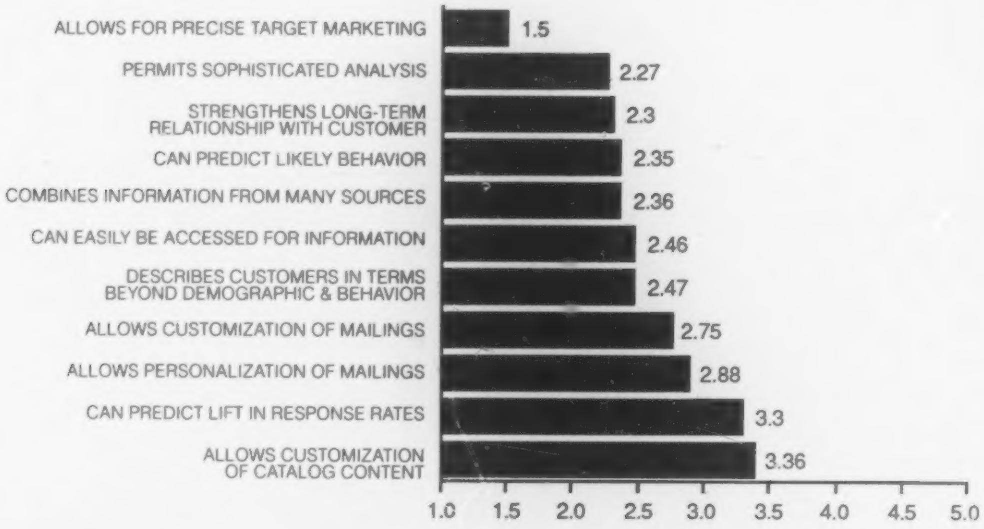
*Please note that the averages for the 1986 figures were computed based on *individual* company percent changes. The 1985 averages were based on data grouped within the 5–10%, 11–20% etc. ranges. Therefore, in some areas, it appears that there is a wide variance in the averages between 1985 and 1986. However, because of the change in computation, these numbers are no longer comparable.

CRITERIA		CLUBS/ CONTINUITIES		NON-PROFIT/ FUNDRAISING		FINANCIAL SERV. INSURANCE		ALL OTHER*	EDUCATIONAL*
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86
BACK END PERFORMANCE	N =	13	10	25	21	58	62	13	11
INCREASED		31	30	20	29	47	36	39	46
DECREASED		31	30	12	14	9	8	15	9
UNCHANGED		31	40	40	43	29	52	31	36
NO ANSWER		8	—	28	14	16	5	15	9
PERCENT CHANGE	N =	+ – 4/4	+ – 3/3	+ – 5/3	+ – 6/3	+ – 27/5	+ – 22/5	+ – 5/2	+ – 5/1
UNDER 5%		26/25	—/—	20/—	17/33	30/20	5/—	40/—	—/100
5–10%		75/50	67/67	60/33	—/—	30/20	14/20	40/—	20/—
11–20%		—/25	—/—	—/33	33/—	30/40	32/40	—/50	40/—
21–30%		—/—	—/—	—/33	33/—	4/20	14/—	—/50	—/—
OVER 30%		—/—	—/—	20/—	—/1	7/—	5/—	20/—	—/—
AVERAGE		7/9	10/8	12/16	15/67	12/14	19/14	11/21	17/2
86, 87 MARKET OUTLOOK	N =	13	10	25	21	58	62	13	11
BETTER THAN PREVIOUS YEAR		77	80	72	72	74	67	69	82
SAME AS PREVIOUS YEAR		8	—	12	10	14	10	8	9
WORSE THAN PREVIOUS YEAR		15	20	16	19	12	19	15	9
86, 87 PIECES MAILED	N =	13	10	25	21	58	62	13	11
WILL INCREASE		69	60	40	57	72	66	39	91
WILL DECREASE		8	20	20	24	10	11	31	—
UNCHANGED		23	20	36	19	17	21	23	9
LIST TECHNIQUES USED TO	N =	13	10	25		58		13	
IMPROVE UPFRONT & BACKEND RESULTS									
MERGE/PURGE		100	100	88	95	88	91	62	81
DATABASE MKTG		54	60	48	19	69	31	23	36
PSYCHOGRAPHIC SEGMENTATION		8	30	44	29	55	40	31	0
DEMOGRAPHIC SEGMENTATION		77	90	64	66	85	78	62	45
OUTSIDE CONSULTANTS		54	50	36	44	53	43	23	27
BAD DEBT PRESCREEN TECHNIQUES		46	70	16	5	38	33	23	9
LIST ENHANCEMENT		54	—	72	—	78	—	62	—
REMAILING TO MULTIBUYERS		—	90	—	86	—	44	—	73
DEMOGRAPHIC SCREENS		—	40	—	44	—	55	—	27
STATISTICAL ANALYSIS/MODEL/SCORING		—	60	—	71	—	45	—	27
GEO. SEGMENTATION		—	40	—	53	—	79	—	64
PRIOR MAIL HISTORY ANALYSIS		—	90	—	76	—	58	—	63
LIST RENTAL AVAILABILITY	N =	13	10	25	21	58	62	13	11
NOT AVAILABLE		15	10	36	33	83	89	69	46
RENTAL ONLY		8	—	20	5	7	2	—	27
EXCHANGE ONLY		—	—	12	19	3	2	—	—
RENT & EXCHANGE		77	90	32	43	7	7	31	27
LIST RENTAL INCOME	N =	10	9	13	14	7	6	4	6
GREATER THAN PREVIOUS YEAR		40	67	54	36	43	50	25	60
SAME AS PREVIOUS YEAR		50	22	39	27	43	50	50	40
LESS THAN PREVIOUS YEAR		10	11	8	36	14	—	25	—
85, 86 RENTAL/EXCHANGE QUANTITY	N =	—	9	—	14	—	6	—	6
GREATER THAN PREVIOUS YEAR		—	67	—	50	—	50	—	50
SAME AS PREVIOUS YEAR		—	22	—	21	—	50	—	33
LESS THAN PREVIOUS YEAR		—	11	—	29	—	—	—	—

*In the 1985 survey, the majority of companies in the "all other" section listed themselves in "education". In the 1986 survey, the "all other" category was deleted and an "education" classification was created.

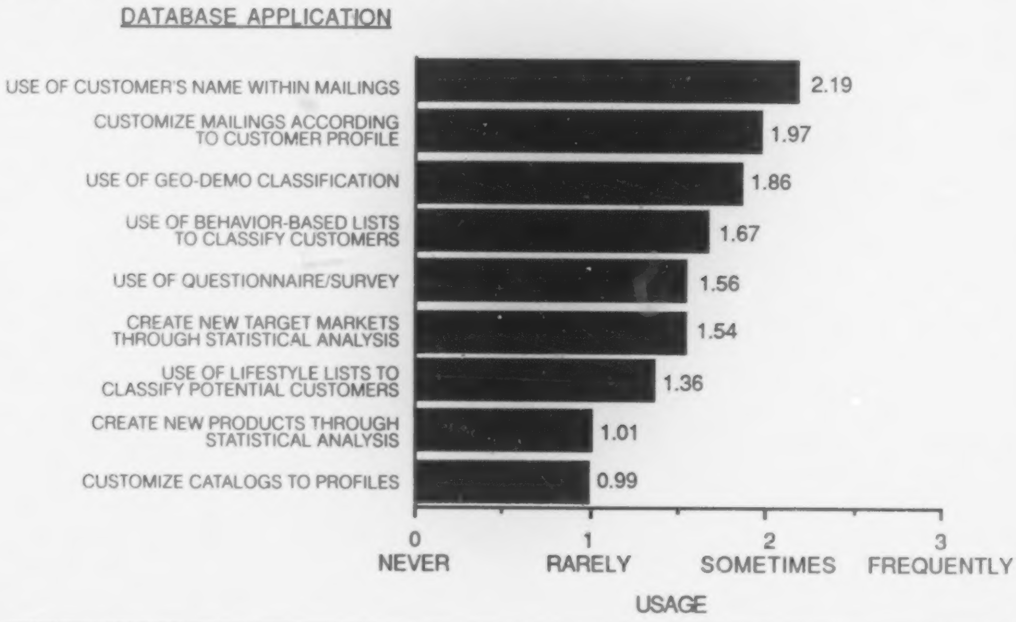
THE MOST IMPORTANT ASPECTS OF DATABASES FOR DIRECT MARKETERS

RANKED ON A SCALE FROM 1–5 WHERE 1 EQUALS MOST IMPORTANT AND 5 EQUALS LEAST IMPORTANT



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

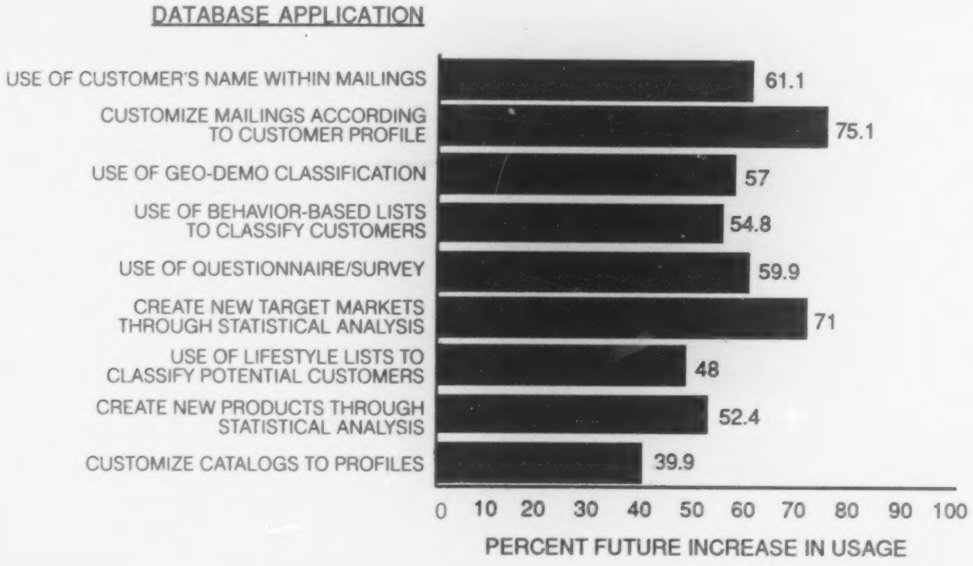
ACTUAL DIRECT MARKETING USE OF DATABASE



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

EXPECTATIONS OF FUTURE INCREASES IN DATABASE USAGE BY DIRECT MARKETERS

Sophisticated understanding of databases is not matched by actual usage. Future usage seems to be taking better advantage of our understanding.



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

LIST BROKERS' SOURCE OF LIST INFORMATION—GENERAL

The SRDS/American List Council, Inc. "Study of the Mailing List Selection Process" was conducted via personal, in-depth interviews with 37 list brokers and 66 mailers by the Harvey Research Organization in late 1985. The following are highlights of the study's findings.

	EXTREMELY USEFUL	VERY USEFUL	SOMEWHAT USEFUL	NOT VERY USEFUL	NOT USEFUL AT ALL	NO RESPONSE	TOTAL
IN-HOUSE FILE OF DATA CARDS	19%	35%	35%	6%	5%	—%	100%
IN-HOUSE COMPUTER SYSTEM	35	11	13	11	22	8	100%
PERSONAL CONTACT WITH LIST MANAGERS	27	41	27	5	—	—	100%
PERSONAL CONTACT WITH LIST OWNERS	14	32	38	11	5	—	100%
PERSONAL CONTACT WITH COMPILERS	19	27	27	13	11	3	100%
DIRECT MAIL SALES PROMOTION	8	16	41	32	3	—	100%
DIRECT CONTACT WITH OTHER BROKERS	11	35	22	21	11	—	100%
ADVERTISING AGENCIES	3	—	13	24	57	3	100%
TRADE SHOWS	13	8	32	22	22	3	100%

NUMBER OF RESPONDENTS: 37

Source: Standard Rate & Data Service, Inc.
American List Council, Inc., Study of the Mailing List Selection Process, 1985

IMPORTANCE OF SPECIFIC LIST CRITERIA TO MAILERS

	EXTREMELY USEFUL	VERY USEFUL	SOMEWHAT USEFUL	NOT VERY USEFUL	NOT USEFUL AT ALL	NO RESPONSE	TOTAL
COST PER THOUSAND	47%	41%	4%	—%	8%	—%	100%
BACK END RESULTS TO CREDIT OFFER	20	23	15	21	15	6	100%
DEMOGRAPHICS	33	44	15	3	3	2	100%
PSYCHOGRAPHICS	13	21	33	9	23	1	100%
REPUTATION OF LIST OWNER	26	44	19	4	7	—	100%
RECENCY	35	33	17	11	3	1	100%
FREQUENCY	29	37	24	3	5	2	100%
MONETARY (UNIT SALES, AVERAGE ORDER)	26	32	23	14	4	1	100%
MAIL DATE CLEARANCE ASSURANCE	20	38	29	4	8	1	100%
DELIVERABILITY GUARANTEE	32	36	24	7	1	—	100%
SOURCE OF NAMES	45	39	11	2	2	1	100%
STATUS OF NAMES (BUYERS, INQUIRERS, TRIALS)	31	44	19	—	3	3	100%
TYPE OF PRODUCT OR SERVICE	27	47	12	2	11	1	100%
MAILERS WHO HAVE SUCCESSFULLY USED THE LIST IN THE PAST	24	27	24	12	11	2	100%
FREE TEST OR OTHER SPECIAL INDUCEMENT TO STIMULATE TEST ORDERS	17	26	29	17	9	2	100%
TYPE OF OFFER (SWEEPSTAKES, PREMIUM, TRIAL, ETC.)	14	27	24	14	20	1	100%
NET NAMES (CONDITIONS FOR NET NAME ARRANGEMENT)	17	23	21	15	20	4	100%

NUMBER OF RESPONDENTS: 66

Source: Standard Rate & Data Service, Inc.
American List Council, Inc., Study of the Mailing List Selection Process, 1985

NUMBER OF MAILING LISTS TESTED IN LAST 12 MONTHS (AMONG MAILERS)

NONE	6%
1–5	14
6–10	11
11–15	4
16–20	8
21–25	8
26–30	6
31–35	1
36–40	4
41–45	—
46–50	3
51–100	14
MORE THAN 100	21
TOTAL	100%

NUMBER OF RESPONDENTS: 73
MEDIAN: 26

MONTHS OF YEAR WHEN MAILING LISTS ARE TESTED (AMONG MAILERS)

EVERY MONTH OF THE YEAR	44%
JANUARY	15
FEBRUARY	14
MARCH	[illegible]
APRIL	[illegible]
MAY	8
JUNE	12
JULY	12
AUGUST	14
SEPTEMBER	23
OCTOBER	22
NOVEMBER	15
DECEMBER	11
NO RESPONSE	7
TOTAL	244%*

NUMBER OF RESPONDENTS: 73
*TOTAL EXCEEDS 100% DUE TO MULTIPLE RESPONSES.

Source: Standard Rate and Data Service, Inc., Direct Media, Inc.
Mailing List Selection: The Decision-Making Process, January 1984

IMPORTANT CRITERIA WHEN TESTING MAILING LISTS (AMONG MAILERS)

	EXTREMELY IMPORTANT	VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT VERY IMPORTANT	NOT IMPORTANT AT ALL	NO RESPONSE	TOTAL
BACK-END PERFORMANCE OBTAINED BY LIST OWNER	16	30	26	12	14	2	100%
COST PER THOUSAND	14	29	44	4	9	—	100%
CURRENT COUNTS	16	32	37	8	7	—	100%
CUSTOMER CREDIT-WORTHINESS	11	20	33	18	18	—	100%
DELIVERABILITY GUARANTEE	15	30	27	18	10	—	100%
DEMOGRAPHICS/PSYCHOGRAPHICS	19	36	27	12	6	—	100%
LETTERSHOP AVAILABILITY	14	15	14	24	33	—	100%
MAIL DATE CLEARANCE ASSURANCES	15	33	32	11	8	1	100%
MAILERS WHO HAVE SUCCESSFULLY USED LIST IN THE PAST	19	26	39	8	8	—	100%
NIXIE RATE	1	29	32	16	21	1	100%
PREMIUMS OR INITIAL TEST DISCOUNTS	—	10	34	26	30	—	100%
RECENCY/FREQUENCY/MONETARY FACTORS	10	49	29	4	8	—	100%
REPUTATION OF LIST OWNER/LIST MANAGER	20	40	29	4	7	—	100%
SELECTIVITY	29	41	23	3	4	—	100%
SOURCE OF NAMES (I.E., VEHICLE WHICH GENERATED THE DIRECT RESPONSE)	38	43	12	1	6	—	100%
STATUS OF NAMES (BUYERS, INQUIRERS, TRIALS)	33	49	11	1	4	2	100%
TYPE OF PRODUCT OR SERVICE PURCHASED	30	45	21	1	3	—	100%

NUMBER OF RESPONDENTS: 73

Source: Standard Rate and Data Service, Inc., Direct Media, Inc., 1984
Mailing List Selection: The Decision-Making Process, January 1984

BROKER/MAILER RELATIONSHIP— % OF LISTS RENTED THROUGH A BROKER

None	15%
1–9%	5
10–19%	2
20–29%	2
30–39%	3
40–49%	—
50–59%	4
60–69%	4
70–79%	14
80–89%	6
90–99%	9
100%	36
TOTAL	**100%**

NUMBER OF RESPONDENTS: 66
MEDIAN: 82.5%

Source: Standard Rate & Data Service, Inc.
American List Council, Inc., Study of the Mailing List Selection Process, 1985

A MAILER'S NEED FOR LIST INFORMATION DIFFERS FROM THE BROKER'S NEED

These criteria are the ones most often mentioned as being extremely or very important to mailers:

Status of names	82%
Source of names	81%
Type of product or service	75%
Selectivity	70%
Reputation of list owner/list manager	60%

Identified as the most important criteria to mailing list brokers are:

Source of names	91%
Status of names	89%
Selectivity	86%
Current counts	83%
Type of product or service	77%

Source: Standard Rate and Data Service, Inc., Direct Media, Inc., 1984
Mailing List Selection: The Decision-Making Process, January 1984

MAILING LIST RENTALS: COST RANGES BY RENTAL TYPE

	PER-M COST RANGE
RESPONDENTS TO MAILING & ADS	
MERCHANDISE/SERVICE BUYERS, NEWER	$75/M—$125/M
MERCHANDISE/SERVICE BUYERS, OLDER	$50/M—$ 75/M
MAGAZINE SUBS, CURRENT	$50/M—$ 75/M
MAGAZINE SUBS, EXPIRES	$30/M—$ 55/M
NONBUYING INQUIRERS	$25/M—$ 55/M
COMPILED FROM DIRECTORIES, ROSTERS, ETC.	
CONSUMER NAMES	$15/M—$ 40/M
BUSINESS NAMES	$25/M—$ 50/M
PROFESSIONALS	$35/M—$ 65/M
RESIDENTS (ADDRESSES ONLY)*	$14/M—$ 23/M

*Includes labeling, sorting, bagging, and mailing.

NOTE: Charges are for one-time-use rentals; costs vary widely according to number of "selects" (geo, zip, sex, title, income, recency, frequency, avg. $ order, etc.) required by mailer and, of course, scarcity of names; list brokers will often give accurate quotes by phone.

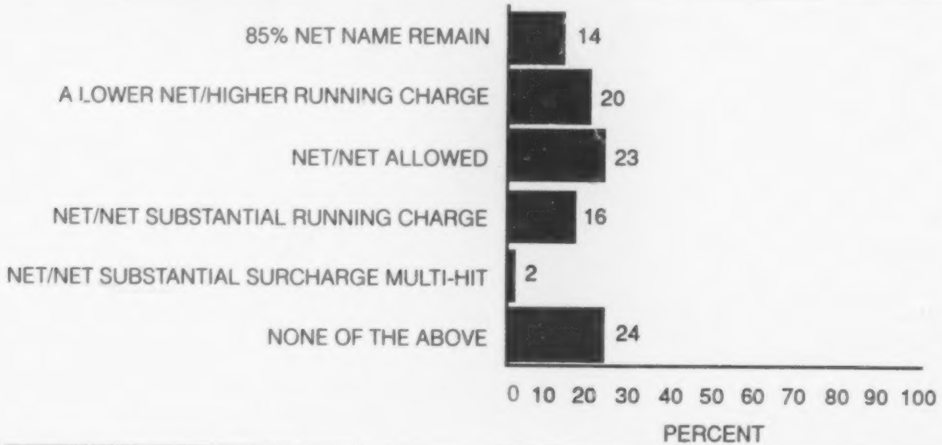
Source: Shell Alpert's Costimator
Albert, O'Neil Tigre & Co., June 1987

SURVEY OF LIST PRACTICES

Donnelley Marketing conducted the "Survey of List practices in early 1986 among 920 companies representing list managers, direct marketing ad agencies, lettershops, list owners, mailers, compliers and brokers, 107 industry professionals responded to the mail survey—a 12% response.

VIEWS ABOUT NET NAME ARRANGEMENTS

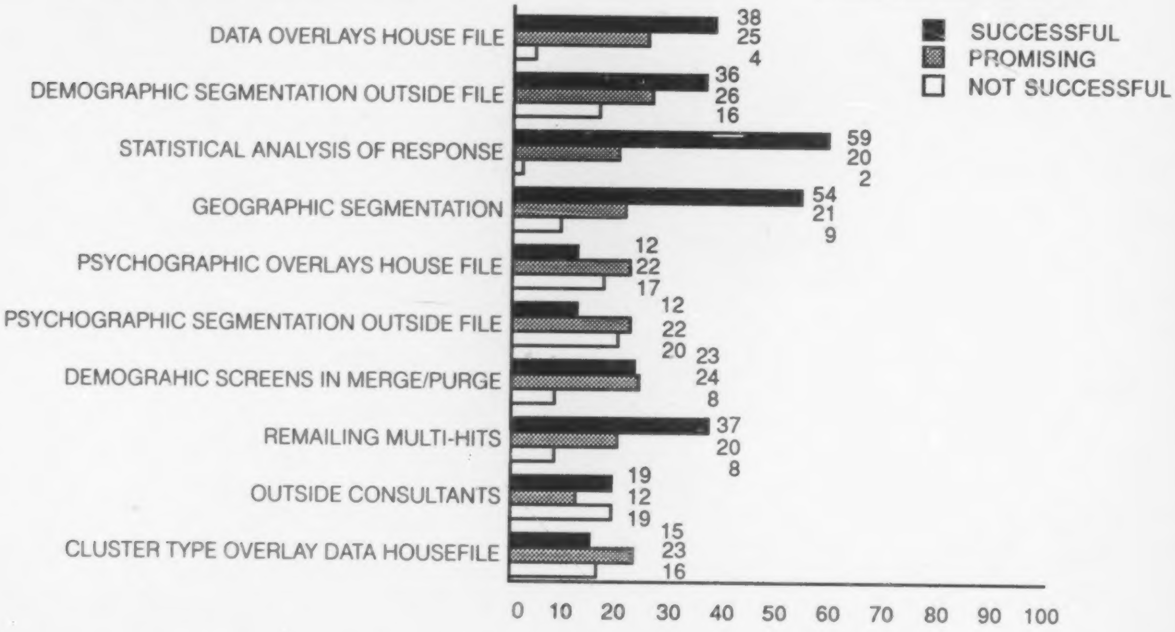
Net name arrangements are the most discussed topic in the list industry.



Source: Donnelley Marketing, Survey of List Practices, 1986

RESPONSE IMPROVEMENT TECHNIQUES

Indicate those response improvement techniques you have used and indicate their effectiveness.

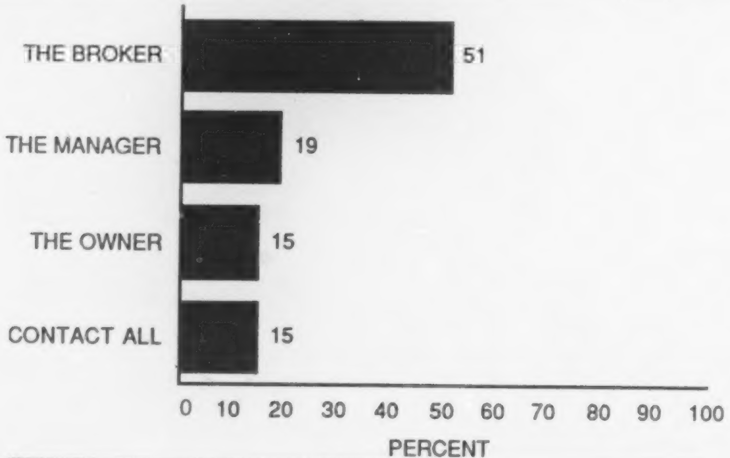


Percent using improvement techniques and rank of each's effectiveness.

Source: Donnelley Marketing, Survey of List Practices, 1986

WHO'S RESPONSIBLE IN CASES OF MAILING LIST MISUSE

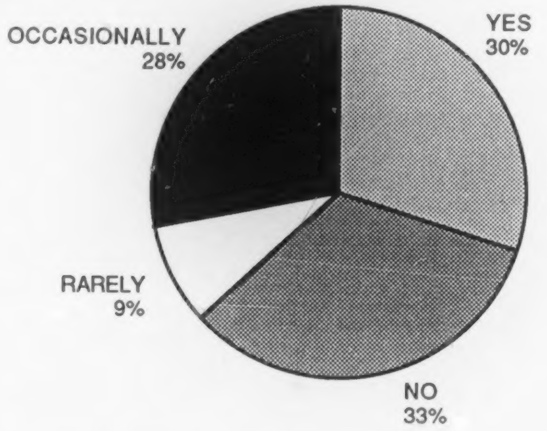
Whom should the service bureau contact, if the mailer does anything with a list, other than that which was contractually agreed to?



Source: Donnelley Marketing, Survey of List Practices, 1986

RENTING TO COMPETITORS

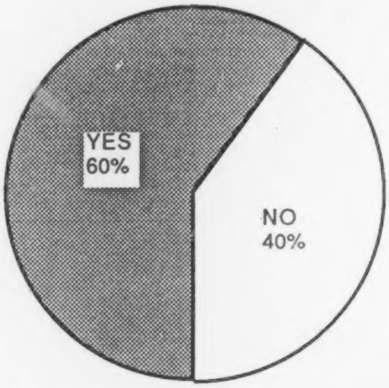
Would you rent to a competitor?



Source: Donnelley Marketing, Survey of List Practices, 1986

REMAILING TO MULTI-HITS

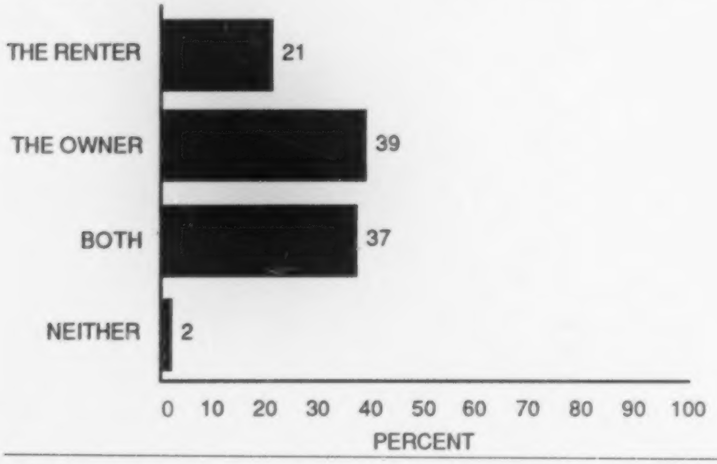
If the 85% net name is maintained, can multi-hits be remailed at no cost?



Source: Donnelley Marketing, Survey of List Practices, 1986

OWNERSHIP OF NCOA PROCESSED ADDRESSES

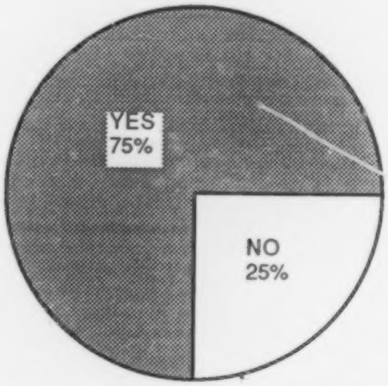
If a rented list is run through the USPS' National Change of Address System, to whom do the new addresses belong?



Source: Donnelley Marketing, Survey of List Practices, 1986

INCIDENCE OF CHECKING ALL SAMPLE MAILING PIECES

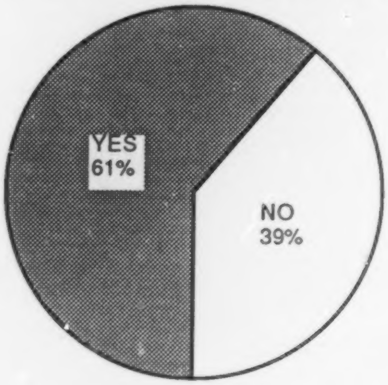
Does anyone in your organization have the responsibility of carefully checking all sample mailing pieces?



Source: Donnelley Marketing, Survey of List Practices, 1986

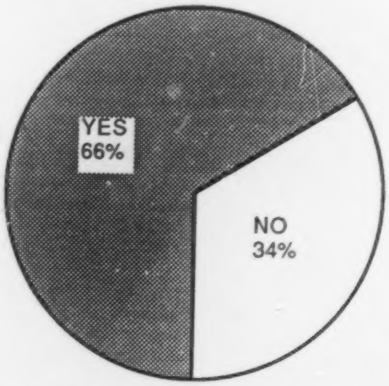
USE OF CREDIT BUREAU EXTRACT FILES

Do you feel credit bureau extract files are a legitimate use of credit information?



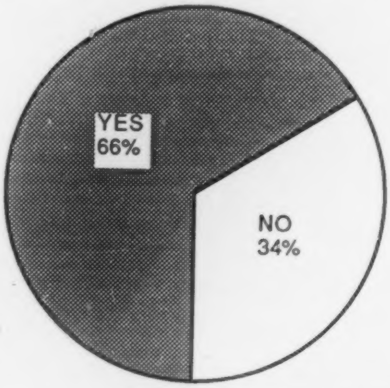
PRIVACY: STILL AN ISSUE?

Do you feel privacy is still an issue?



EQUITY OF CURRENT COMPUTER PROCESSING COSTS

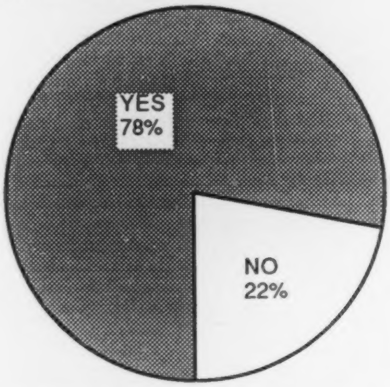
In light of the actual decrease in the cost of computer processing, are current computer costs equitable?



Source: Donnelley Marketing, Survey of List Practices, 1986

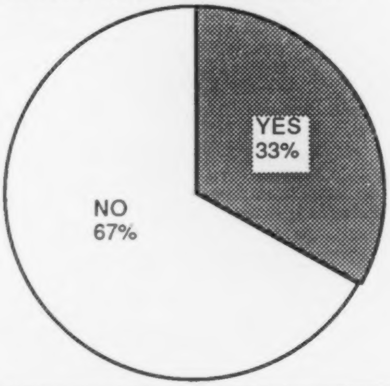
SELECTION CHARGES AND COMMISSIONS

Should selection charges be commissionable?



EFFECTIVENESS OF AN INDUSTRY-WIDE DECOY SYSTEM

Do you think an industry-wide decoy system could be effective?



Source: Donnelley Marketing, Survey of List Practices, 1986

LIST SERVICES BY TYPE OF ORGANIZATION, EMPLOYEE SIZE & MONTHLY ORDER VOLUME (1985 STATISTICS)

		EMPLOYEE SIZE			MONTHLY ORDER VOLUME		
TYPE OF ORGANIZATION	TOTAL	3 OR LESS	4–10	11 OR MORE	50 OR LESS	51–150	151 OR MORE
N = Base # Respondents	n = 125	n = 37	n = 43	N = 43	N = 34	N = 33	N = 53
LIST BROKERAGE	47%	54%	72%	47%	53%	67%	53%
LIST MANAGEMENT	57%	76%	70%	65%	68%	67%	72%
IN-HOUSE	24%	41%	30%	21%	35%	36%	23%
OUTSIDE	13%	19%	14%	16%	15%	12%	21%
UNSPECIFIED	19%	16%	26%	28%	18%	18%	28%
LIST COMPILATION	19%	15%	18%	37%	15%	21%	30%
SERVICE BUREAU	20%	—	23%	47%	15%	18%	34%
IN-HOUSE	7%	—	7%	16%	3%	3%	13%
OUTSIDE	6%	—	2%	19%	3%	6%	11%
UNSPECIFIED	7%	—	14%	12%	9%	9%	9%
NONE	18%	—	—	—	—		

Source: DMA Research Department, List Leaders Group, List Industry Compensation Study 1986

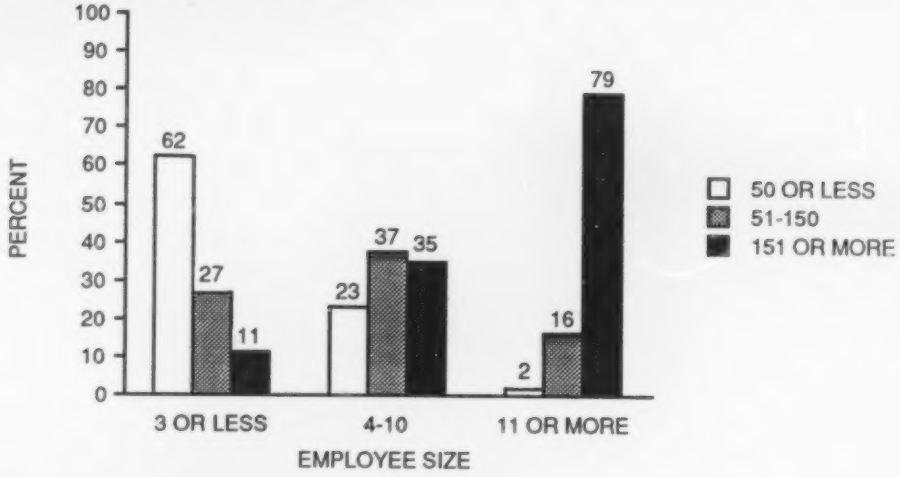
1986 LIST INDUSTRY SALARIES BY TYPE OF SERVICE AND TITLE

The DMA List Industry Compensation Study was conducted by mail in August, 1986. Among 693 list firms, companies with in-house list managers and computer service bureaus. The study's findings provide a detailed profile of respondents and an analysis of compensation on a total respondent base (153), as well as by employee size, average number of monthly orders and geographic location. The following charts highlight the Study's findings.

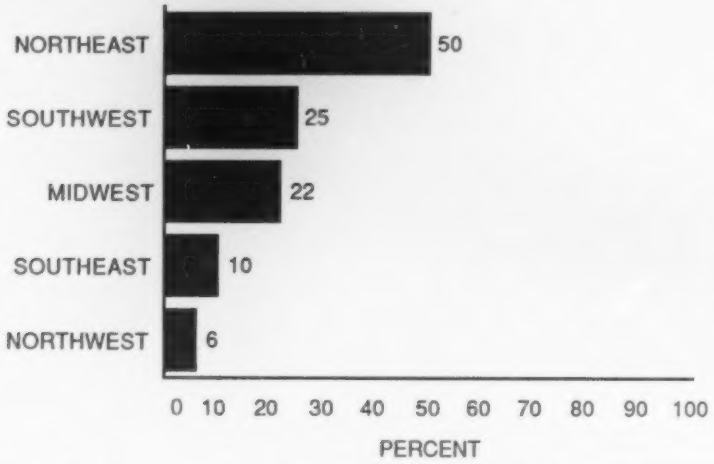
SERVICE/TITLE	AVERAGE SALARY	MEDIAN SALARY	AVERAGE % BASE SALARY	MEDIAN % BASE SALARY
LIST MANAGEMENT				
EXECUTIVE V.P. GENERAL BRANCH MANAGER	$70,813	$60,000	75%	80%
LIST MANAGEMENT (ACCOUNT SERVICES)				
VICE PRESIDENT, ACCOUNT SUPERVISOR AND DIRECTOR OF LIST MANAGEMENT DEVELOPMENT	$52,302	$45,000	74%	80%
ACCOUNT EXECUTIVE OF LIST MANAGEMENT	$32,396	$28,550	74%	85%
ASSISTANT TO ACCOUNT EXECUTIVE OF LIST MANAGEMENT	$17,772	$16,550	89%	100%
ADVERTISING AND PROMOTION OF LIST MANAGEMENT	$25,273	$22,000	87%	95%
LIST BROKERAGE (ACCOUNT SERVICES)				
VICE PRESIDENT, ACCOUNT SUPERVISOR AND DIRECTOR OF LIST BROKERAGE	$58,157	$40,000	70%	79%
ACCOUNT EXECUTIVE OF LIST BROKERAGE	$31,036	$25,000	76%	88%
ASSISTANT TO ACCOUNT EXECUTIVE OF LIST BROKERAGE	$17,203	$17,500	86%	100%
LIST REGISTRAR OF LIST BROKERAGE	$17,881	$15,500	80%	97%
ADVERTISING AND PROMOTION MANAGER OF LIST BROKERAGE	$21,611	$21,000	84%	80%
PRODUCTION AND DATA PROCESSING				
PRODUCTION MANAGER	$33,196	$30,000	94%	95%
PRODUCTION ASSISTANT	$20,865	$20,000	97%	100%
VICE PRESIDENT, DATA PROCESSING DIRECTOR	$58,589	$55,000	86%	90%
SYSTEMS ANALYST	$33,090	$30,000	97%	98%
COMPUTER OPERATOR	$18,921	$18,000	96%	100%
INPUT CONTROL TECHNICIAN	$19,998	$18,436	97%	99%
LIST COMPILATION				
LIST COMPILATION MANAGER	$30,731	$27,500	96%	98%
COMPILATION PROJECT LEADER	$22,447	$24,000	88%	95%
ACQUISITION MANAGER	$74,857	$32,000	91%	90%
COMPILATION CLERK	$16,265	$15,000	96%	98%

Source: DMA Research Department. List Leaders Group. List Industry Compensation Study, 1986

LIST SERVICES BY EMPLOYEE SIZE AND TOTAL MONTHLY ORDER VOLUME

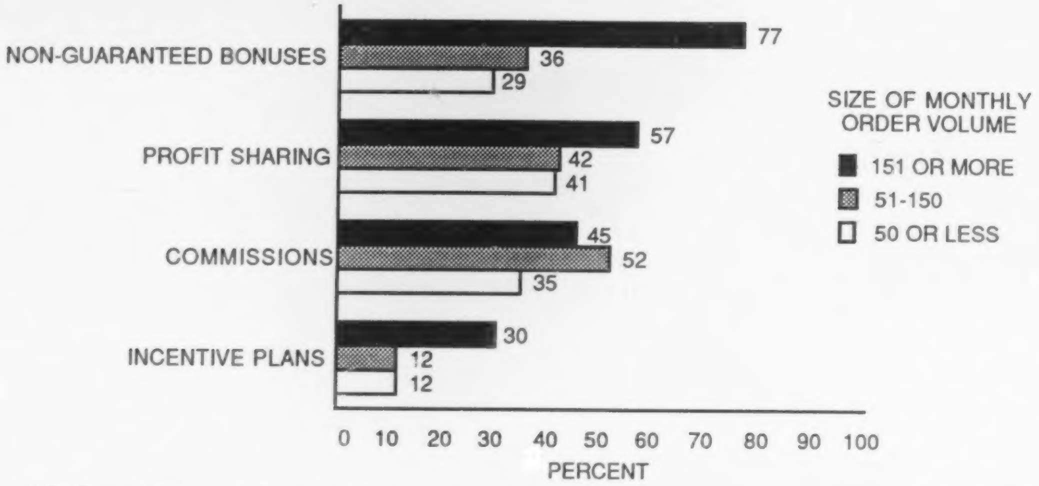


LIST SERVICES BY GEOGRAPHIC LOCATION



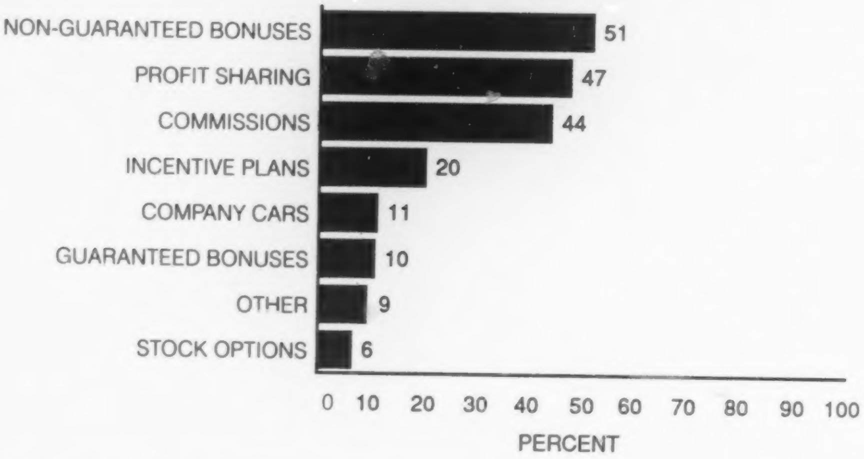
Source: DMA Research Department, List Leader's Group, List Industry Compensation Study, 1986

EMPLOYEE BENEFITS OFFERED BY LIST SERVICES BY MONTHLY AMOUNT OF ORDERS



Source: DMA Research Department, List Leaders Group, List Industry Compensation Study, 1986

EMPLOYEE BENEFITS OFFERED BY LIST SERVICE COMPANIES
(TOTAL SAMPLE)



Source: DMA Research Department, List Leaders Group, List Industry Compensation Study, 1986

LISTS/DATABASES RESEARCH STUDIES

- **Standard Rate and Data Service, Inc., Direct Media, Inc., Mailing List Selection: The Decision Making Process, January 1984**

  Total Sample Size: 108 companies
  Mailers: 73
  Brokers: 35
  Research Method: Personal interviews

- **DMA Research Department, List Council, Seventh Annual List Usage Survey, 1987**

  Total Sample Size: 1,510 list firms
  Number of Respondents: 399 firms
  Response Rate: 26.5%
  Research Method: Mail Survey

- **DMA Research Department, Marketing Council, Management Survey of Current Direct Marketing Practices and Trends, August 1986**

  Total Sample Size: 4,550 companies
  Number of Respondents: 1,001 companies------- DMA Users: 640
  DMA Service Cos.: 361
  Response Rate: 22%
  Research Method: Mail Survey

- **DMA Research Department, List Leaders Group, List Industry Compensation Study, November 1986**

  The study also includes a List Industry Job Description Report

  Total Sample Size: [illegible]93 list firms
  Number of Respondents: 153 firms
  Response Rate: 22%
  Research Method: Mail Survey

- **Standard Rate and Data Service, Inc., American List Counsel, Inc., A Study of the Mailing List Selection Process, December 1985**

  Total Sample Size: 103 companies
  Mailers: 66
  Brokers: 37
  Research Method: Personal interviews

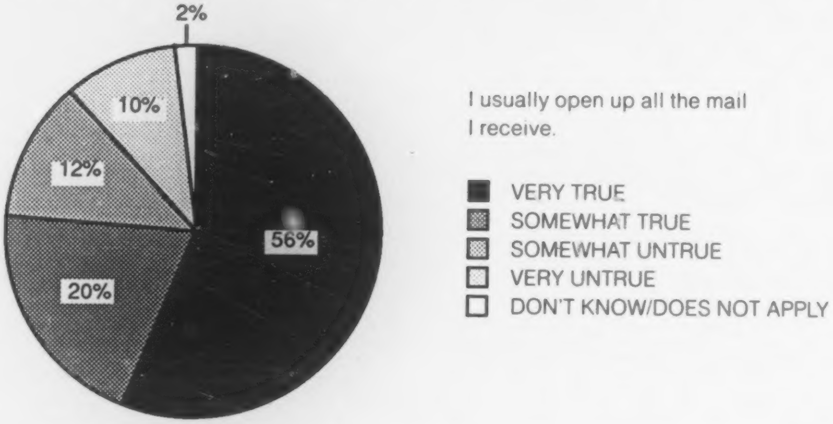
- **Donnelley Marketing, Survey of List Practices, 1986**

  Total Sample Size: 920 companies
  Number of Respondents: 107 companies
  Response Rate: 12%
  Research Method: Mail Survey

MARKETS

93 CONSUMER ATTITUDES
107 CONSUMER DEMOGRAPHICS
118 BUSINESS-TO-BUSINESS
129 FINANCIAL SERVICES/GENERAL
131 FINANCIAL SERVICES/INSURANCE
136 FINANCIAL SERVICES/BANKS
140 FINANCIAL SERVICES/CREDIT CARDS
143 FINANCIAL SERVICES/INVESTMENT SERVICES
146 CIRCULATION
155 CONTINUITY CLUBS
158 NON-PROFIT
160 EDUCATION
161 NEW MARKETS

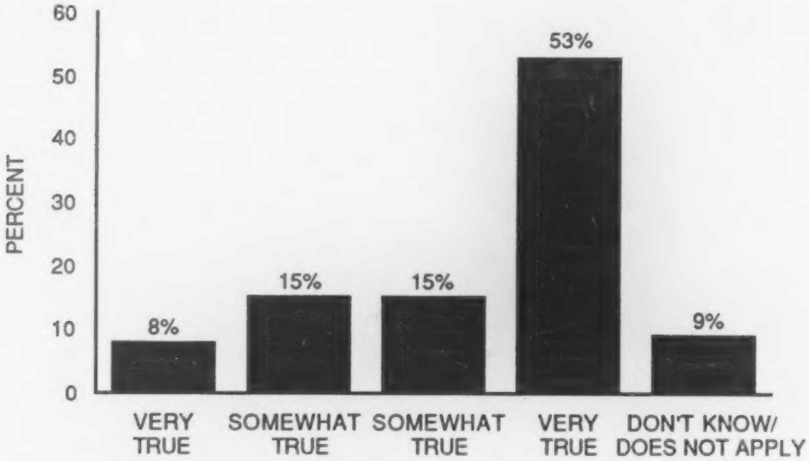
CONSUMER ATTITUDE TOWARD DIRECT MAIL RECEIVED



Source: Target Marketing Magazine, Gallup Survey Organization, May 1987

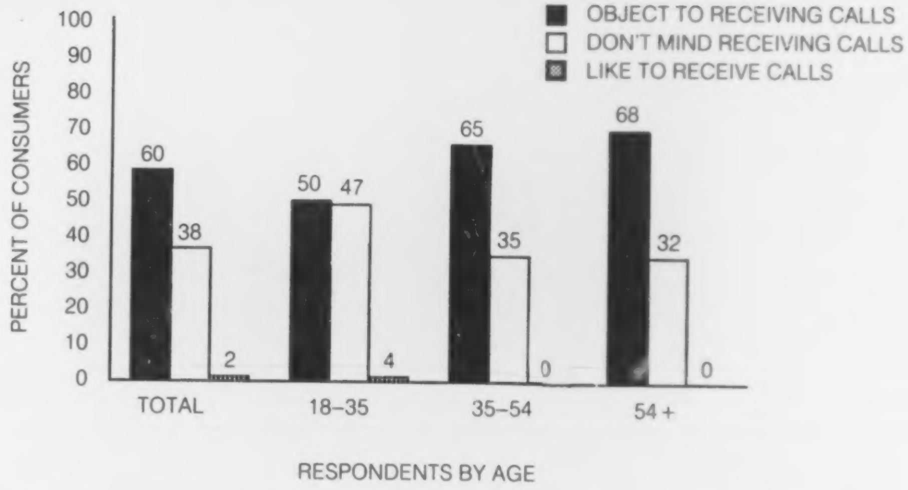
CONSUMER ATTITUDES TOWARD CATALOG VS RETAIL PURCHASING

I will buy products from a catalog even if they are available at a nearby store.



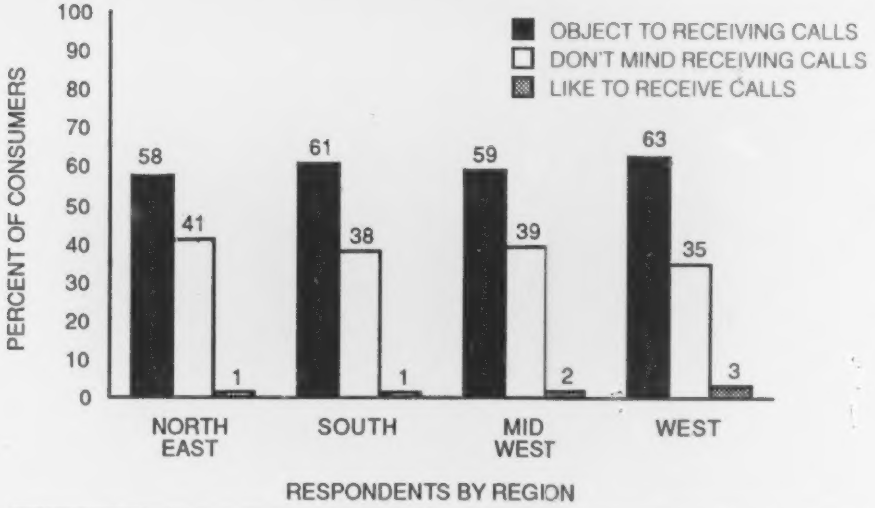
Source: Target Marketing Magazine, Gallup Survey Organization, March 1987

CONSUMER ATTITUDES TOWARD TELEMARKETING
BY AGE



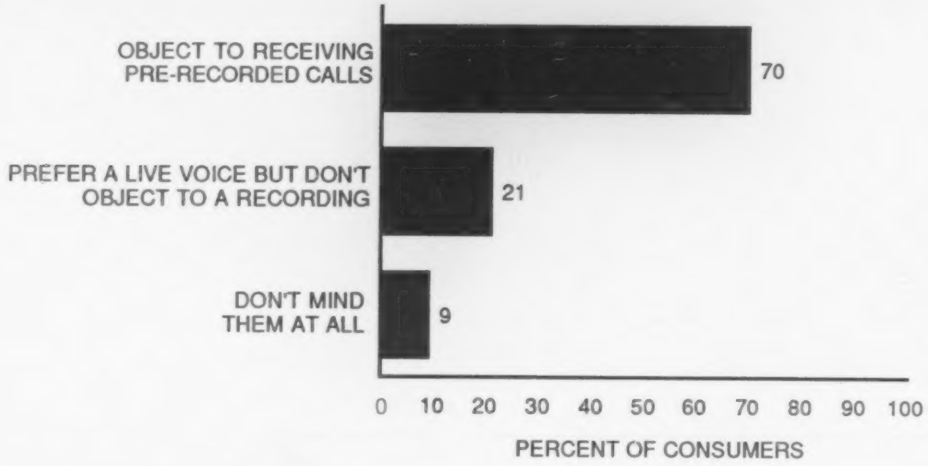
Source: Schlenker Research Services, "Telemarketing Intelligence," June 1987

CONSUMER ATTITUDES TOWARD TELEMARKETING
BY REGION



Source: Schlenker Research Services, "Telemarketing Intelligence," June 1987

CONSUMER ATTITUDES TOWARD RECEIVING PRE-RECORDED CALLS



Source: Schlenker Research Services, "Telemarketing Intelligence," June 1987

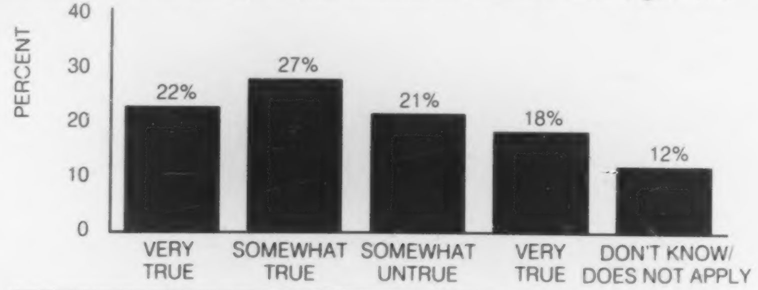
AGREE/DISAGREE WITH STATEMENTS REGARDING TELEMARKETING: PEOPLE WHO MAKE THE CALLS DO SO IN A FRIENDLY & COURTEOUS MANNER BY REGION AND CALL FREQUENCY

	REGION					NUMBER OF TIMES CALLED IN PAST THREE MONTHS			RECEIVED PRE-RECORDED CALLS	
	TOTAL	NORTH EAST	SOUTH	MID WEST	WEST	NOT AT ALL	1–4 TIMES	5 OR MORE	YES	NO
STRONGLY AGREE	57%	60%	57%	57%	50%	51%	59%	56%	55%	59%
SLIGHTLY AGREE	34%	26%	35%	34%	41%	31%	32%	37%	34%	33%
SLIGHTLY DISAGREE	2%	2%	2%	3%	1%	3%	2%	2%	2%	2%
STRONGLY DISAGREE	2%	3%	1%	3%		3%	2%	2%	3%	1%
NEITHER AGREE NOR DISAGREE	5%	9%	4%	4%	8%	12%	4%	3%	6%	5%

Source: Schlenker Research Services, "Telemarketing Intelligence," June 1987

CONSUMER ATTITUDE TOWARD CATALOGS
RE: THE TIME IT TAKES TO RECEIVE MERCHANDISE

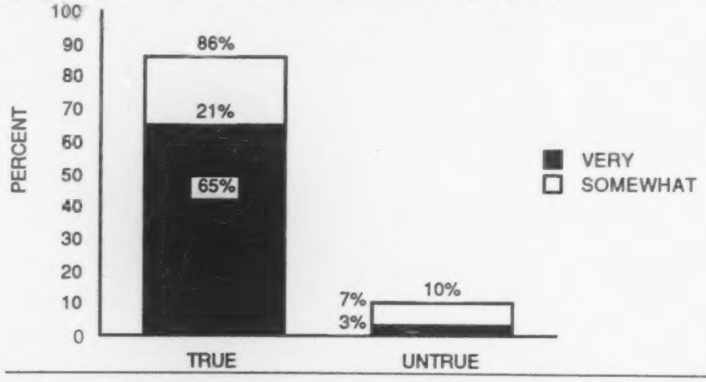
I find it difficult to order products through the mail because of the time it takes to get them.



Source: Target Marketing Magazine, Gallup Survey Organization, March 1987

ATTITUDE TOWARD LIVE TELEMARKETING SALES CALLS
(BASED ON ALL ADULTS)

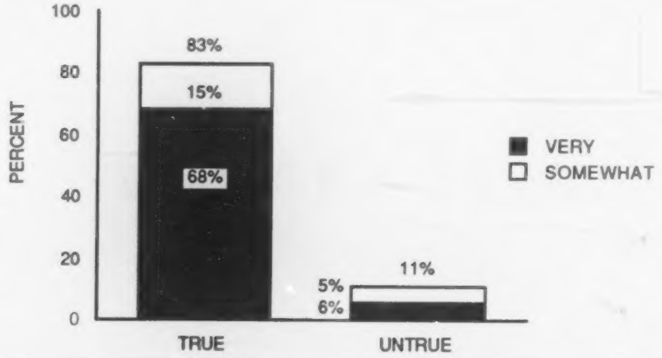
I think it is annoying when sales people call me at home to sell products.



Source: Target Marketing Magazine, Gallup Survey Organization, February 1987

ATTITUDE TOWARD COMPUTER-GENERATED TELEMARKETING SALES CALLS
(BASED ON ALL ADULTS)

When I receive a promotional phone call, I would rather speak to a person than listen to a computer-generated announcement.



Source: Target Marketing Magazine, Gallup Survey Organization, February 1987

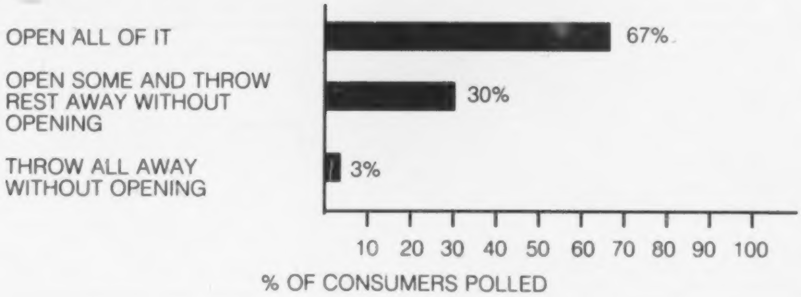
The following charts are from the Simmons Pilot Study conducted in July 1984. The Study was sponsored by Rapp & Collins, Inc., a division of the Doyle Dane Bernbach Group, Inc.

SIMMONS STUDY OF CONSUMER PURCHASING BEHAVIOR

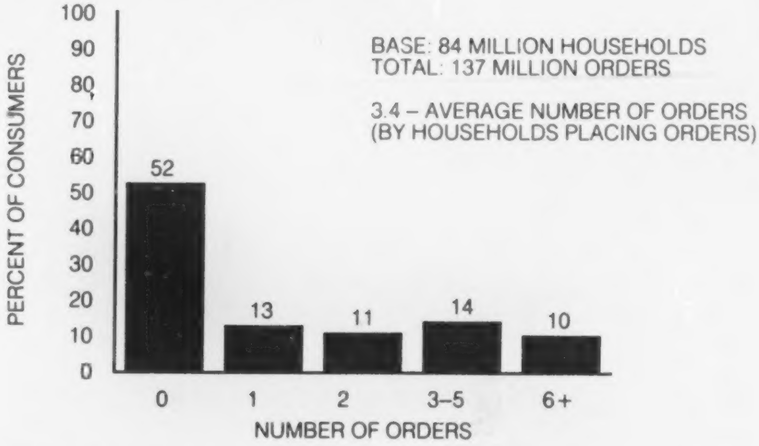
In October 1984, Simmons Market Research Bureau, Inc. released the results of the first-ever study of consumer buying at home by mail or phone. The study covered goods and services purchased in July 1984 only. It was found that a total of $12 billion dollars of goods and services were purchased at home by mail or phone during this month alone.

The following charts summarize some of the findings from the 500 page pilot study available from Simmons.

REACTIONS TO ADVERTISING MAIL

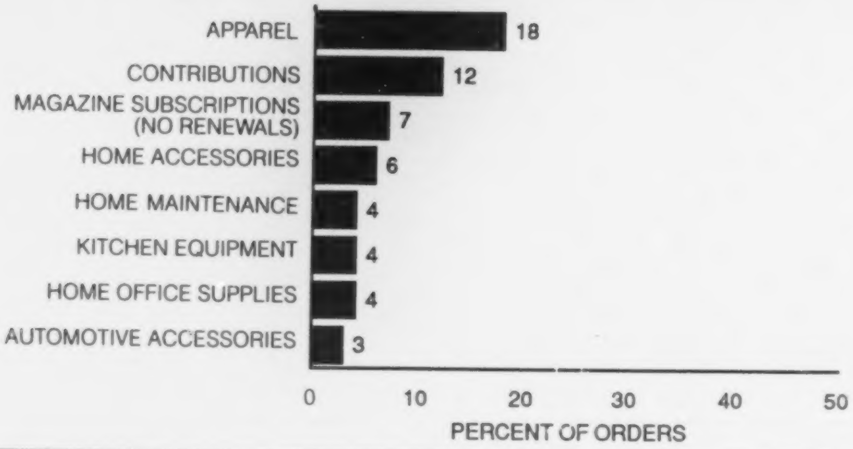


TOTAL ORDERS PLACED DURING JULY 1984



Source: Simmons Market Research Bureau, 1984
1984 Doyle Dane Bernbach/New York

LEADING MERCHANDISE/SERVICE CATEGORIES AMONG ORDERS PLACED



Source: Simmons Market Research Bureau, 1984
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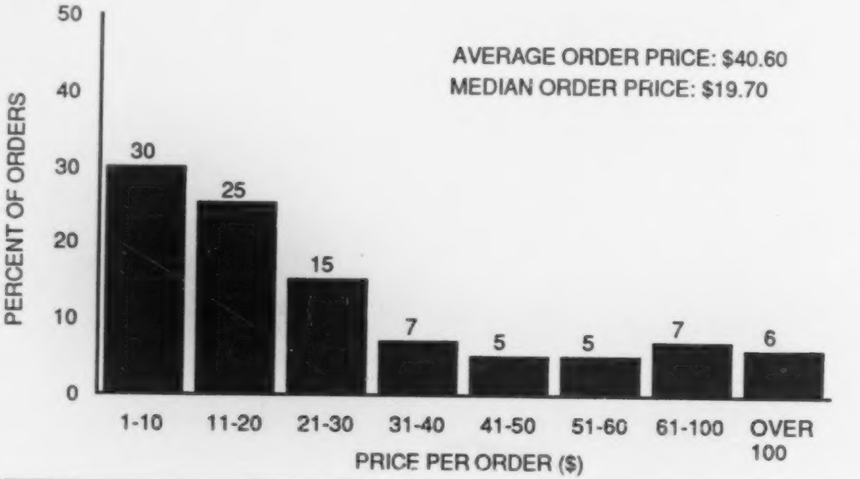
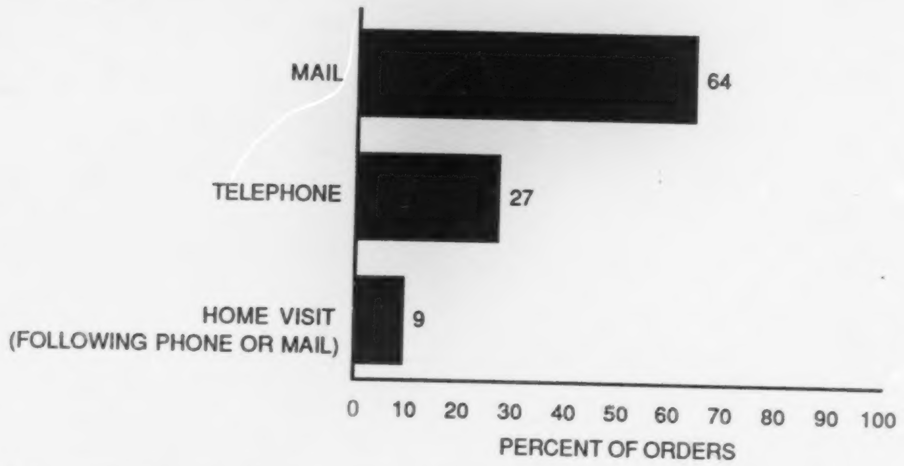
PRICE OF ORDERS



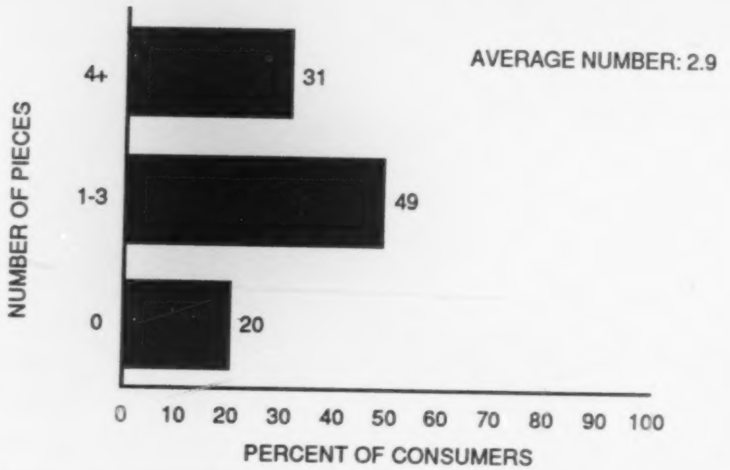
Source: Simmons Market Research Bureau, 1984
©1984 Doyle Dane Bernbach/New York

METHODS USED WHEN PLACING ORDERS



Source: Simmons Market Bureau, 1984
©1984 Doyle Dane Bernbach/New York

NUMBER OF PIECES OF ADVERTISING MAIL RECEIVED ON A WEEKDAY



Source: Simmons Market Bureau, 1984
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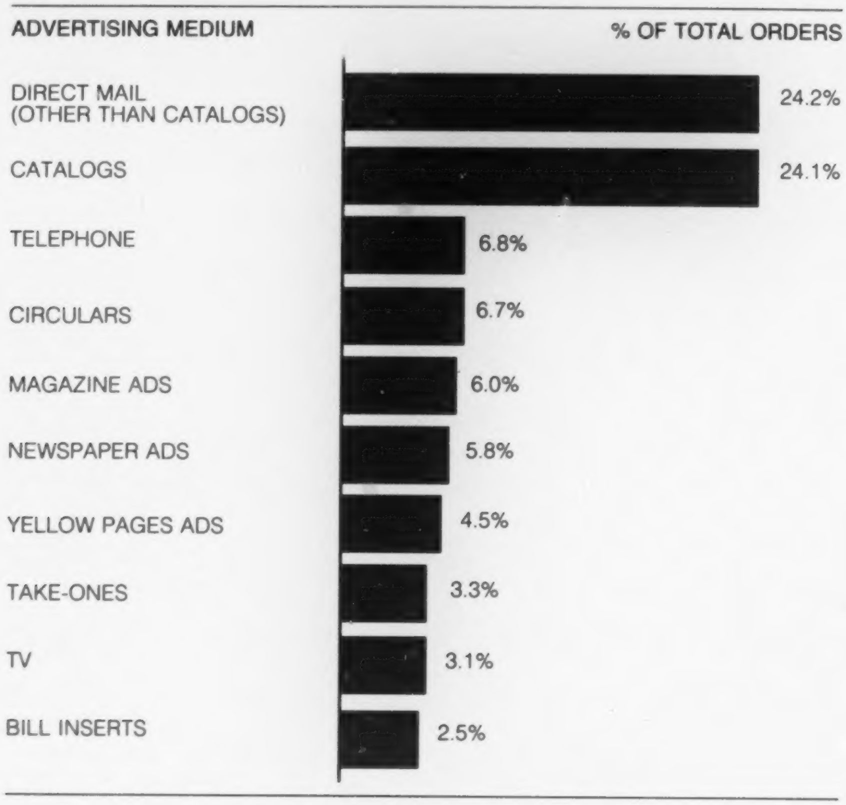
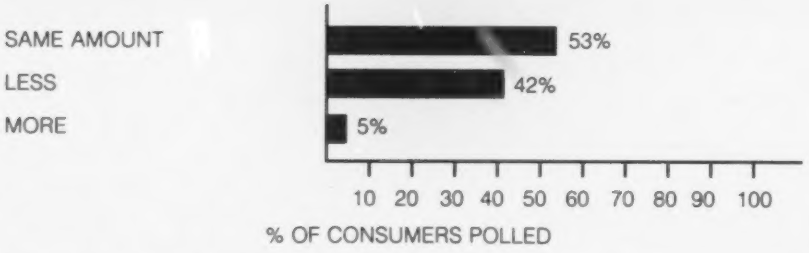
SOURCES THAT PRODUCED CONSUMER OFFERS



AMOUNT OF ADVERTISING MAIL CONSUMERS WOULD PREFER TO RECEIVE



Source: Simmons Market Research Bureau, Inc., 1984
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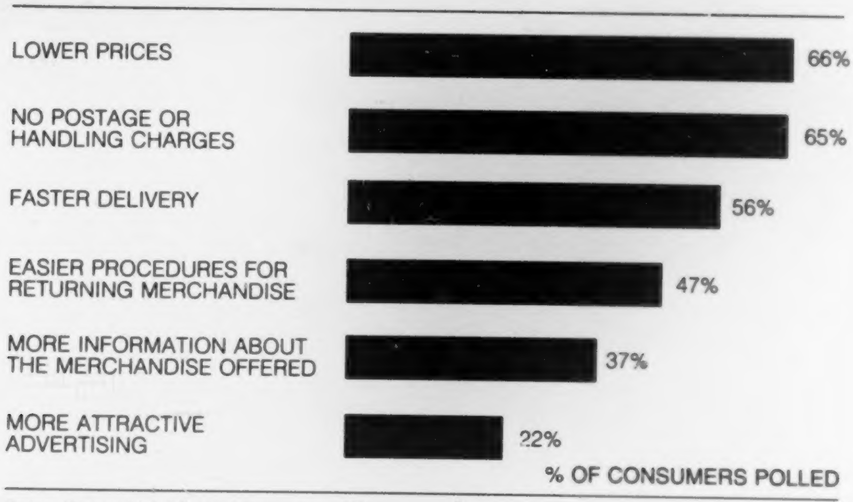
FACTORS THAT WOULD INFLUENCE CONSUMERS TO BUY MORE



Source: Simmons Market Research Bureau, Inc., 1985
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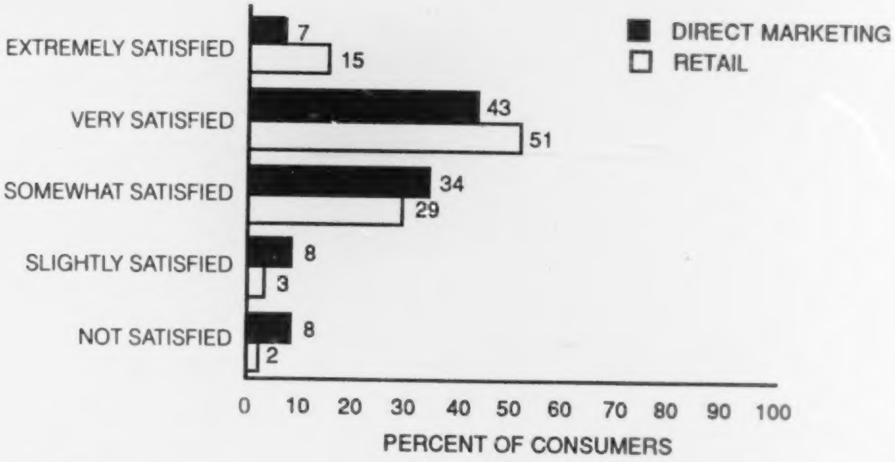
CONSUMER SATISFACTION WITH DIRECT MARKETING VS. RETAIL PURCHASING



Source: Simmons Market Bureau, 1984
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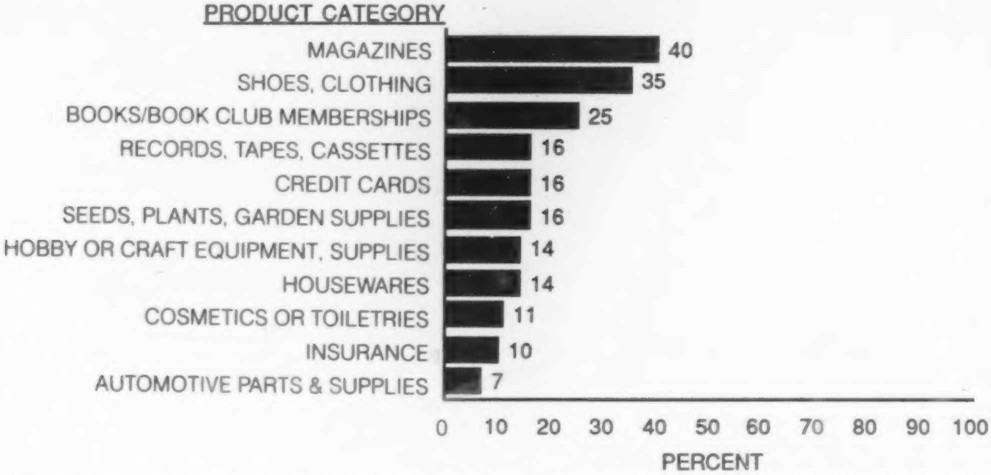
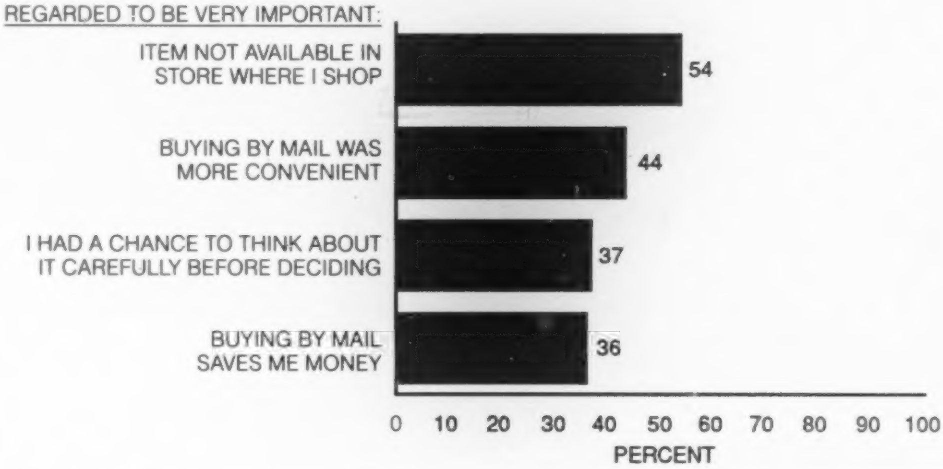
PERCENT OF ALL ADULTS WHO BOUGHT VIA DIRECT RESPONSE IN 1985



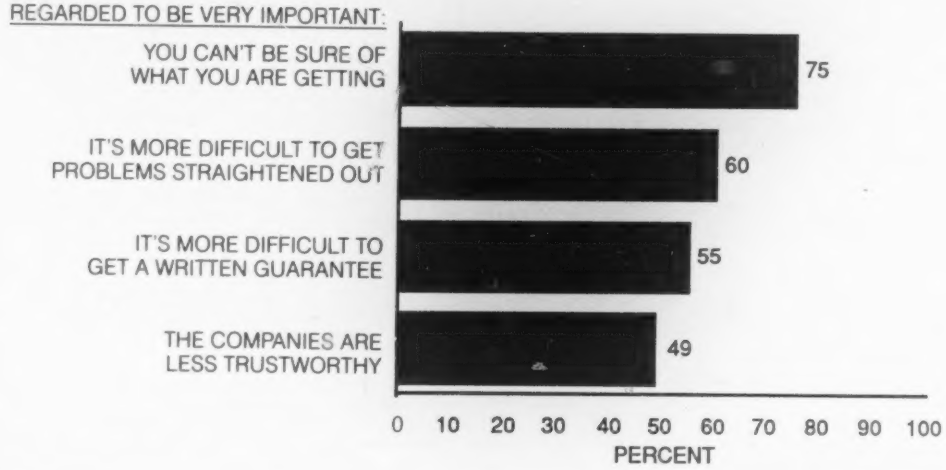
Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

REASONS FOR BUYING BY MAIL



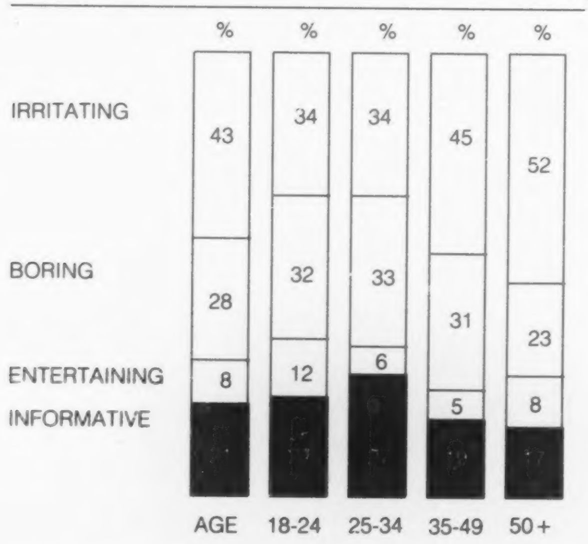
Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

REASONS FOR DECIDING NOT TO BUY BY MAIL



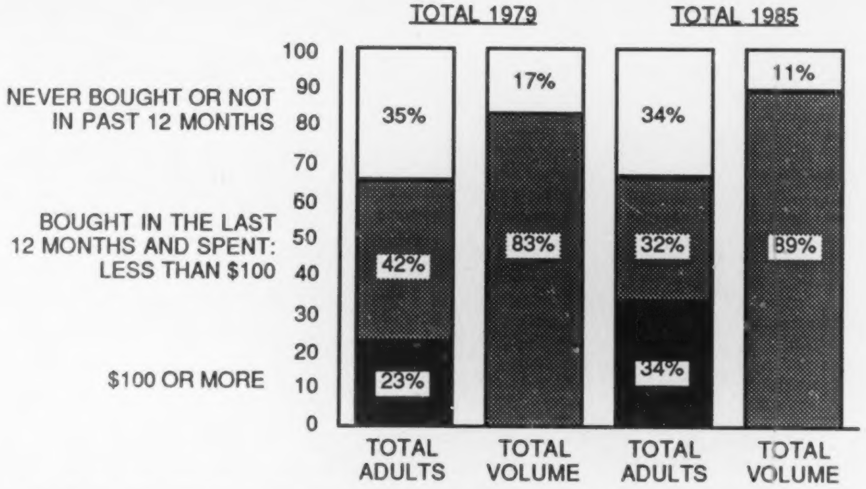
Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

REACTIONS TO ADVERTISING RECEIVED IN MAIL



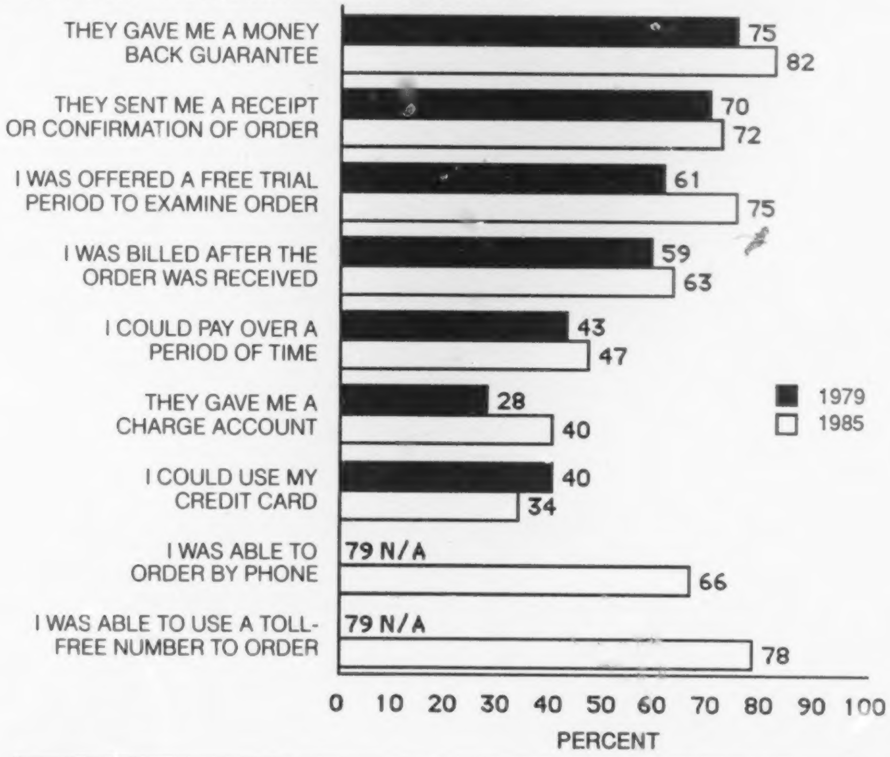
Source: Ogilvy & Mather, Inc., 1985

% OF ADULTS BUYING VIA DIRECT RESPONSE & HOW MUCH WAS SPENT



Source: Ogilvy & Mather Direct. A Look Before We Leap Into the 1980's, 1979. Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

I WOULD BUY MORE VIA DIRECT RESPONSE IF:



Source: Ogilvy & Mather Direct. A Look Before We Leap Into the 1980's, 1979. Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

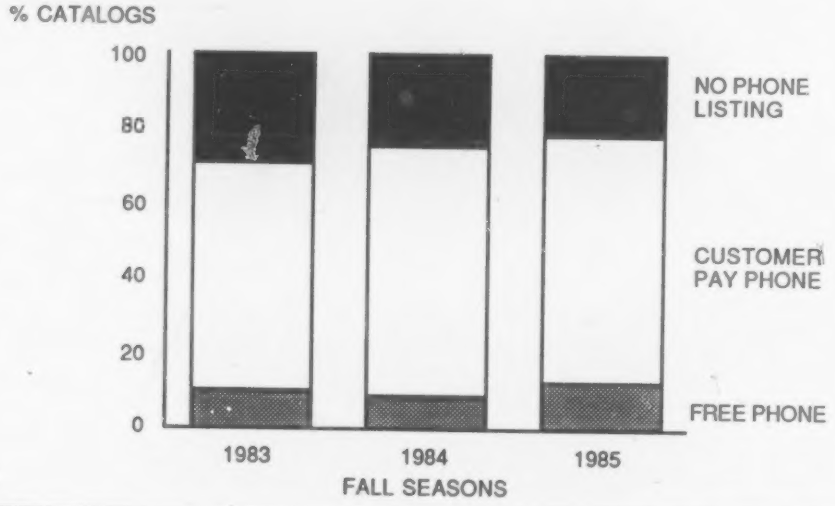
ORDERING PRODUCT OR SERVICE BY MAIL/PHONE AFTER SEEING MAGAZINE/TELEVISION AD FOR IT (DURING PAST MONTH)

		MEN		WOMEN	
		MAGAZINES	TV	MAGAZINES	TV
	TOTAL U.S.	27%	14%	28%	14%
BY EDUCATION:	DID NOT GRADUATE H.S.	22%	13%	24%	10%
	GRADUATED HIGH SCHOOL	24	16	25	19
	ATTENDED COLLEGE	30	16	31	12
	GRADUATED COLLEGE	29	11	30	13
BY HOUSEHOLD INCOME:	UNDER $15,000	25%	14%	28%	13%
	$15,000–$24,999	25	17	28	15
	$25,000–$34,999	29	14	23	15
	$35,000 OR MORE	30	15	32	13
BY AGE:	18–24	31%	15%	28%	17%
	25–34	25	12	36	14
	35–44	32	16	26	18
	45–54	26	20	27	18
	55–64	23	10	27	11
	65 & OLDER	24	14	18	7
BY OCCUPATION:	PROF./MGR./OWNER	30%	16%	31%	14%
	WH.COL./SALES/CLER.	30	15	32	11
	BLUE COLLAR	29	16	30	20
	NOT EMPLOYED	20	9	25	14

Source: Magazine Publishers Association, "Study of Media Involvment," November 1986

USE OF CUSTOMER SERVICE TELEPHONE* NUMBERS IN CATALOGS

1983–85



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*CatalogSCAN™ data is from the same 256 catalogs published in Fall 1983, 1984 and 1985.

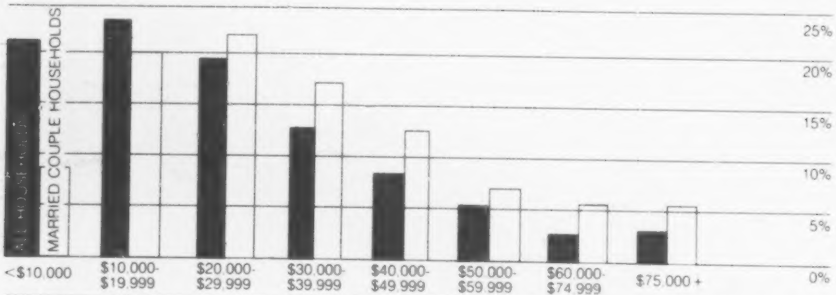
Source: Kestnbaum & Company, 1986

CONSUMER PURCHASING ATTITUDES REGARDING AMERICAN-MADE VS. IMPORTED GOODS

	AN AMERICAN-MADE PRODUCT	AN IMPORTED PRODUCT	NO PREFERENCE
TOTAL	80%	4%	16%
HOUSEHOLD INCOME			
$50,000 AND OVER	71	7	22
$35,000–$49,999	80	4	16
$25,000–$34,999	79	4	17
$15,000–$24,999	83	4	13
UNDER $15,000	76	4	20
OCCUPATION			
MANAGERIAL	77	5	18
PROFESSIONAL	67	5	28
WHITE COLLAR	78	6	16
BLUE COLLAR	87	3	10
AGE			
UNDER 35 YEARS	72	6	22
35–49 YEARS	81	3	16
50–64 YEARS	84	4	12
65 YEARS OR MORE	86	1	13
SEX			
MEN	81	5	14
WOMEN	78	3	19

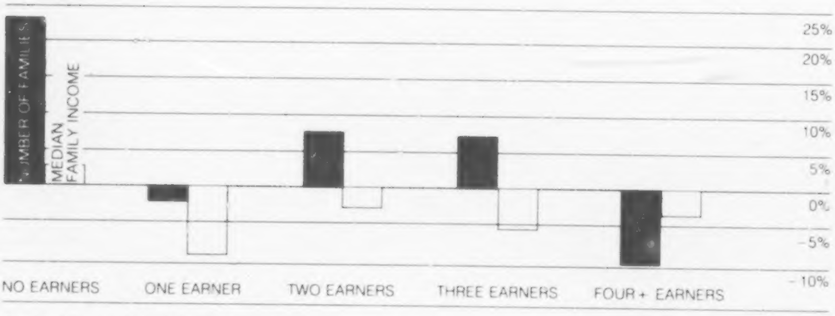
Source: Money Magazine, Americans and Their Money, 1986

DISTRIBUTION OF HOUSEHOLDS, BY 1984 INCOME



Source: American Demographics, January 1986

PERCENTAGE CHANGE IN NUMBER OF FAMILIES AND IN MEDIAN FAMILY INCOME, BY NUMBER OF EARNERS



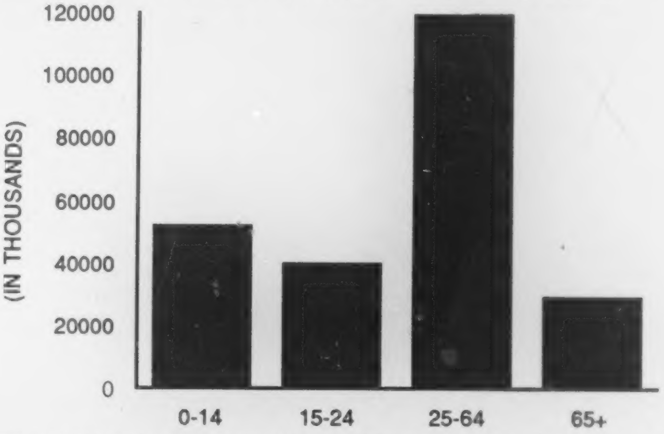
Source: American Demographics, January 1986

POPULATION BY AGE, 1985 TO 2000
(IN THOUSANDS)

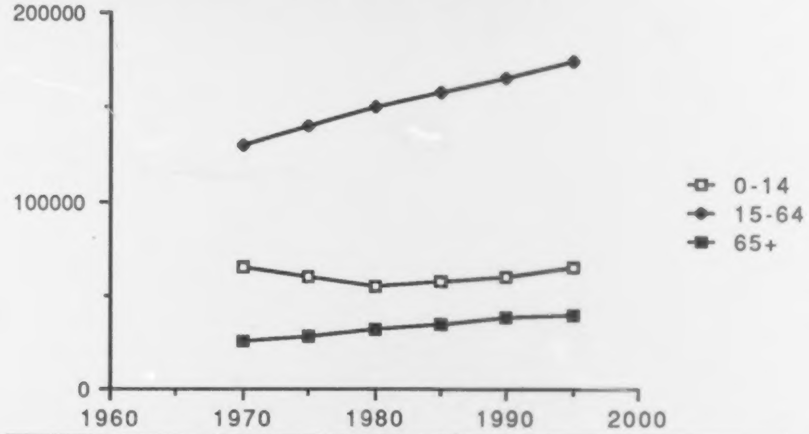
	1985	1990	1995	2000	PERCENT CHANGE 1985-2000
ALL AGES	238.631	249.657	259.559	267.955	12.3%
UNDER 15	51.861	54.582	56.724	55.903	7.8
15 TO 24	39.717	35.548	34.110	36.088	−9.1
25 TO 34	41.788	43.529	40.520	36.415	−12.9
35 TO 44	32.004	37.847	41.997	43.743	36.7
45 TO 54	22.464	25.402	31.397	37.119	65.2
55 TO 64	22.188	21.051	20.923	23.767	7.1
65 AND OLDER	28.609	31.697	33.888	34.921	22.1

Source: American Demographics, January 1986

UNITED STATES: POPULATION BY AGE GROUP, 1986



UNITED STATES: POPULATION GROWTH, 1970–1995
(IN THOUSANDS)



Source: American Demographics, *Trends and Opportunities*, 1987

POPULATION, UNEMPLOYMENT AND RETAIL STATISTICS BY REGION

REGION	POPULATION 1985	POPULATION 1982	LABOR FORCE 1985	LABOR FORCE 1982	UNEMPLOYED 1985	UNEMPLOYED 1982	UNEMPLOYMENT RATE 1985	UNEMPLOYMENT RATE 1982	DISPOSABLE INCOME 1985	DISPOSABLE INCOME 1982	RETAIL SALES 1985	RETAIL SALES 1982
NEW ENGLAND	9,798	9,584	6,639	6,373	293	497	4.4	7.8	$114,073	$ 83,661	$ 53,057	$ 39,413
MIDDLE ATLANTIC	28,764	28,348	17,680	17,131	1,204	1,611	6.8	9.4	395,758	305,038	163,212	127,422
EAST NORTH CENTRAL	31,178	30,939	20,264	20,028	1,787	2,505	8.8	12.5	282,448	219,103	133,412	108,230
WEST NORTH CENTRAL	13,064	12,845	8,860	8,509	549	663	6.1	7.8	95,161	61,738	46,777	31,453
SOUTH ATLANTIC	30,309	28,576	19,405	18,006	1,189	1,572	6.1	8.7	291,327	209,101	147,257	107,606
EAST SOUTH CENTRAL	11,154	10,856	6,864	6,577	616	793	9.0	12.1	54,379	42,779	29,866	23,734
WEST SOUTH CENTRAL	19,082	18,032	12,660	11,692	996	880	7.9	7.5	164,816	127,928	86,458	67,029
MOUNTAIN	9,214	8,578	6,211	5,730	424	501	6.8	8.7	74,837	53,275	40,261	29,304
PACIFIC	25,979	24,546	17,101	16,181	1,270	1,658	7.4	10.3	366,954	262,636	169,592	131,317
U.S. TOTAL	178,206	172,271	115,461	110,204	8,312	10,678	7.2	9.7	2,825,238	2,163,759	1,377,866	1,075,679

NOTE: Population, labor force, unemployment in thousands, disposable income and retail sales in millions.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1986
Marketing Economics Institute, 1986

FAMILIES BY AGE AND INCOME
(FAMILIES IN 1982, IN THOUSANDS; INCOME IN 1981)

For families with children income peaks in the 45-to-54 age group; for those without children it peaks earlier, between ages 35 and 44.

AGE	TOTAL FAMILIES	FAMILIES WITH CHILDREN: 1982 ALL UNDER 6	FAMILIES WITH CHILDREN: 1982 SOME UNDER 6, SOME 6–17	FAMILIES WITH CHILDREN: 1982 ALL 6–17	TOTAL FAMILIES WITH CHILDREN	FAMILIES WITHOUT CHILDREN
ALL FAMILIES	61,019	8,160	6,673	17,282	32,115	28,904
AVERAGE INCOME	$25,838	$22,000	$22,770	$27,921	$25,340	$26,390
PER CAPITA INCOME	$ 7,941	$ 6,357	$ 4,540	$ 6,923	$ 6,174	$11,451
UNDER 25	3,621	1,771	204	118	2,093	1,528
AVERAGE INCOME	$15,528	$12,924	$13,601	$15,164	$13,140	$18,780
PER CAPITA INCOME	$ 5,632	$ 4,041	$ 2,932	$ 5,013	$ 3,972	$ 9,322
25–34	14,449	4,843	3,443	3,091	11,377	3,072
AVERAGE INCOME	$22,855	$23,051	$20,048	$20,479	$21,440	$28,090
PER CAPITA INCOME	$ 6,757	$ 6,718	$ 4,321	$ 5,845	$ 5,692	$14,405
35–44	13,083	1,050	2,346	7,764	11,160	1,923
AVERAGE INCOME	$29,114	$30,523	$27,013	$28,543	$28,410	$33,230
PER CAPITA INCOME	$ 7,332	$ 8,541	$ 5,160	$ 6,978	$ 6,655	$14,817
45–54	10,710	264	482	4,782	5,528	5,182
AVERAGE INCOME	$32,070	$27,977	$25,739	$32,004	$31,260	$32,940
PER CAPITA INCOME	$ 8,861	$ 6,462	$ 4,193	$ 7,534	$ 6,873	$12,532
55–64	9,752	174	133	1,267	1,574	8,178
AVERAGE INCOME	$29,492	$27,220	$22,958	$29,484	$28,720	$29,640
PER CAPITA INCOME	$10,585	$ 5,828	$ 3,496	$ 7,097	$ 6,231	$12,162
65 +	9,403	58	65	260	383	9,020
AVERAGE INCOME	$18,945	$14,176	$20,269	$20,913	$19,580	$18,910
PER CAPITA INCOME	$ 8,171	$ 3,309	$ 3,014	$ 4,627	$ 3,987	$ 8,539

Source: American Demographics, April 1984

HOUSEHOLDS: A LOOK AT THE FUTURE

NONFAMILY HOUSEHOLDS SHOULD CONTINUE TO GROW FASTER THAN FAMILY HOUSEHOLDS BETWEEN 1985 AND 2000.

(HOUSEHOLDS BY TYPE: 1985 TO 2000)	1985*		1990		1995		2000		CHANGE 1985 TO 2000	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
ALL HOUSEHOLDS *(IN THOUSANDS)*	86,789	100.0%	94,227	100.0%	100,308	100.0%	105,933	100.0%	19,144	22.1%
FAMILY HOUSEHOLDS	62,706	72.3	66,758	70.8	69,787	69.6	72,277	68.2	9,571	15.3
MARRIED COUPLES	50,350	58.0	53,012	56.3	54,863	54.7	56,294	53.1	5,944	11.8
OTHER FAMILIES	12,357	14.2	13,746	14.6	14,924	14.9	15,983	15.1	3,626	29.3
FEMALE HOUSEHOLDER	10,129	11.7	11,165	11.8	11,984	11.9	12,701	12.0	2,572	25.4
MALE HOUSEHOLDER	2,228	2.6	2,581	2.7	2,940	2.9	3,282	3.1	1,054	47.3
NONFAMILY HOUSEHOLDS	24,082	27.7	27,469	29.2	30,520	30.4	33,656	31.8	9,574	39.8
FEMALE HOUSEHOLDER	13,968	16.1	15,523	16.5	16,854	16.8	18,204	17.2	4,236	30.3
MALE HOUSEHOLDER	10,114	11.7	11,946	12.7	13,666	13.6	15,452	14.6	5,338	52.8

HOUSEHOLDS HEADED BY 45-TO-54-YEAR-OLDS ARE EXPECTED TO GROW BY 71 PERCENT BETWEEN 1985 AND 2000.

(HOUSEHOLDS BY AGE: 1985 TO 2000)	1985*		1990		1995		2000		CHANGE 1985 TO 2000	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
ALL HOUSEHOLDERS *(IN THOUSANDS)*	86,789	100.0%	94,227	100.0%	100,308	100.0%	105,933	100.0%	19,144	21.1%
UNDER 25	5,438	6.3	4,663	4.9	4,316	4.3	4,442	4.2	−996	−18.3
25 TO 29	9,637	11.1	9,663	10.3	8,427	8.4	7,801	7.4	−1,836	−19.1
30 TO 34	10,377	12.0	11,520	12.2	11,500	11.5	10,203	9.6	−174	−1.7
35 TO 44	17,481	20.1	21,245	22.5	23,916	23.8	25,339	23.9	7,858	45.0
45 TO 54	12,628	14.6	14,429	15.3	18,035	18.0	21,603	20.4	8,975	71.1
55 TO 64	13,073	15.1	12,311	13.1	12,233	12.2	13,903	13.1	830	6.3
65 TO 74	10,851	12.5	11,672	12.4	12,006	12.0	11,516	10.9	665	6.1
75 AND OVER	7,305	8.4	8,724	9.3	9,876	9.8	11,126	10.5	3,821	52.3

*Estimate from March 1985 Current Population Survey

Source: American Demographics, October 1986

TWO EARNER OCCUPATIONS

(NUMBER OF MARRIED-COUPLE FAMILIES WITH EARNINGS IN 1983, IN THOUSANDS—OCCUPATION OF LONGEST JOB OF WIFE, BY OCCUPATION OF LONGEST JOB OF HUSBAND)

	TOTAL	WIFE WORKED IN 1983										WIFE DID NOT WORK
		TOTAL	OCCUPATION OF LONGEST JOB OF WIFE									
			EXECUTIVE ADMINISTRATORS, MANAGERIAL	PROFESSIONAL SPECIALTY	TECHNICAL, RELATED SUPPORT	SALES WORKERS	ADMINISTRATIVE SUPPORT, CLERICAL	PRECISION PRODUCTION CRAFT AND REPAIR	OPERATORS, FABRICATORS, AND LABORERS	SERVICE WORKERS	FARMING FORESTRY FISHING	
TOTAL	42,182	28,700	2,420	4,532	951	3,485	8,486	690	2,965	4,704	466	13,482
HUSBAND WORKED IN 1983	39,833	26,370	2,239	4,293	912	3,165	7,940	600	2,647	4,131	442	13,463
OCCUPATION OF LONGEST JOB OF HUSBAND:												
EXECUTIVE, ADMINISTRATORS, MANAGERIAL	6,131	4,095	627	846	126	474	1,396	47	151	407	21	2,036
PROFESSIONAL SPECIALTY	5,070	3,498	385	1,365	138	301	954	34	51	252	18	1,573
TECHNICAL AND RELATED SUPPORT	1,073	761	86	153	76	82	211	16	49	85	3	312
SALES WORKERS	4,497	3,185	317	518	97	673	1,081	33	141	309	17	1,312
ADMINISTRATIVE SUPPORT, INCL. CLERICAL	1,931	1,319	118	171	52	141	493	26	123	187	7	612
PRECISION PRODUCTION, CRAFT AND REPAIR	8,693	5,524	344	537	199	600	1,815	204	731	1,044	50	3,169
OPERATORS, FABRICATORS, LABORERS	7,785	4,984	202	387	125	614	1,243	180	1,054	1,121	58	2,800
SERVICE WORKERS	2,704	1,822	109	188	78	168	484	43	236	501	16	881
FARMING, FORESTRY, FISHING	1,950	1,182	50	130	21	112	263	17	110	226	253	768
HUSBAND DID NOT WORK IN 1983	2,349	2,330	181	239	39	320	545	90	318	573	24	20

Source: American Demographics, October 1986

INDEX OF SPENDING: 1985

	UNDER 25	25–34	35–44	45–54	55–64	65 AND OVER
HOUSEHOLDS *(IN 000S)*	5,438	20,014	17,481	12,628	13,073	18,155
AVERAGE HOUSEHOLD SIZE	2.3	2.9	3.4	3.2	2.4	1.8
AVERAGE HOUSEHOLD INCOME	$16,643	$26,177	$33,389	$36,002	$30,516	$18,279
RELATIVE EXPENDITURES *(AVERAGE = 100.0)*						
TOTAL EXPENDITURES	63.4	102.8	126.1	130.9	99.6	61.6
FOOD	60.2	94.4	127.9	132.5	102.0	67.1
FOOD AT HOME	56.3	91.8	129.2	131.1	102.5	70.6
FOOD AWAY FROM HOME	72.2	102.4	124.0	136.4	100.8	56.8
ALCOHOLIC BEVERAGES	114.0	125.7	115.7	117.2	97.2	42.6
TOBACCO AND SMOKING SUPPLIES	68.8	96.3	124.4	139.1	114.6	52.3
HOUSING	62.3	112.3	125.3	115.9	90.4	69.3
SHELTER	69.5	122.9	127.6	111.9	82.6	61.6
UTILITIES, FUELS, PUBLIC SERVICES	46.8	87.7	119.4	130.6	108.9	83.2
TELEPHONE	75.0	103.6	120.1	125.7	98.2	67.6
FUEL OIL	18.2	53.7	91.8	129.1	128.1	142.6
HOUSE FURNISHINGS AND EQUIPMENT	70.1	115.8	130.2	119.7	96.4	51.5
FURNITURE	87.6	133.4	139.7	100.1	83.2	40.8
MAJOR APPLIANCES	63.7	113.8	115.0	133.6	89.2	65.7
APPAREL	71.1	104.0	143.1	133.8	93.2	44.2
MEN'S AND BOYS'	65.0	106.4	152.1	140.4	86.0	35.4
WOMEN'S AND GIRLS'	64.4	87.6	145.8	140.9	100.1	51.8
FOOTWEAR	69.1	103.8	152.3	125.8	89.8	44.2
TRANSPORTATION	74.0	105.4	124.1	141.2	102.2	48.6
VEHICLES	83.2	112.6	127.4	146.6	94.4	36.6
NEW CARS	60.0	103.0	119.6	149.9	109.8	48.1
GASOLINE	70.5	104.6	124.8	137.4	103.2	51.6
VEHICLE INSURANCE	61.1	96.2	112.1	152.5	109.5	60.8
AIRLINE FARES	49.2	82.6	115.4	131.5	133.9	73.1
HEALTH CARE	33.8	67.9	99.2	116.4	112.6	135.3
HEALTH INSURANCE	32.4	65.5	83.8	106.8	124.4	151.4
PRESCRIPTION DRUGS	26.5	48.1	78.5	112.2	130.4	169.1
PERSONAL CARE	48.0	73.9	114.8	135.3	123.1	88.8
RECREATION	75.2	115.8	143.4	118.8	93.4	40.0
FEES AND ADMISSIONS	72.8	95.1	148.3	133.8	98.8	44.5
TVS, RADIOS, SOUND EQUIPMENT	95.8	117.8	125.2	123.3	91.2	47.6
LIFE AND PERSONAL INSURANCE	26.7	87.6	129.9	151.1	127.5	51.4

What is important to marketers are the differences in the spending habits of households by age. By examining relative expenditures of households by age, combined with household growth by age, marketers can see which products and services are likely to boom in the coming years and which are likely to bust.

Source: American Demographics, October 1986

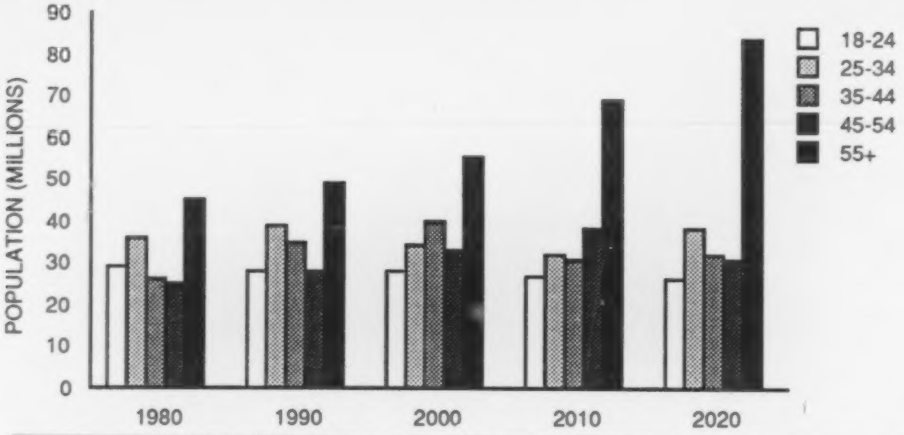
CHILDLESS COUPLES VS COUPLES WITH YOUNG CHILDREN
CONTRASTING HABITS

Though married couples without children spend virtually the same amount of money as those with young children, the childless spend significantly more on house furnishings and equipment, apparel, and transportation.

(AVERAGE ANNUAL EXPENDITURES IN 1982–83 OF YOUNG, CHILDLESS MARRIED COUPLES AND OF MARRIED COUPLES WHOSE OLDEST CHILD IS YOUNGER THAN AGE 6)	CHILDLESS COUPLES	COUPLES WITH YOUNG CHILDREN
TOTAL EXPENDITURES	$22,043	$21,555
FOOD	3,225	3,241
ALCOHOLIC BEVERAGES	449	264
HOUSING	6,540	7,863
SHELTER	3,800	4,533
OWNED	1,646	3,046
RENTED	2,012	1,264
OTHER	142	222
FUELS, UTILITIES, PUBLIC SERVICES	1,219	1,554
HOUSEHOLD OPERATIONS	223	792
HOUSE FURNISHINGS AND EQUIPMENT	1,298	985
APPAREL AND APPAREL SERVICES	1,238	1,107
TRANSPORTATION	5,404	4,085
VEHICLES	2,180	1,633
GASOLINE AND MOTOR OIL	1,654	1,165
OTHER VEHICLE EXPENSES	1,399	1,105
PUBLIC TRANSPORTATION	171	182
HEALTH CARE	633	789
ENTERTAINMENT	1,139	1,010
PERSONAL CARE	156	150
READING	118	126
EDUCATION	134	98
TOBACCO	189	194
MISCELLANEOUS	272	240
CASH CONTRIBUTIONS	310	365
PERSONAL INSURANCE, PENSIONS, AND SOCIAL SECURITY	2,236	2,023
LIFE INSURANCE AND OTHER PERSONAL INSURANCE	240	268
RETIREMENT, PENSIONS, AND SOCIAL SECURITY	1,996	1,755

Source: American Demographics, August 1986

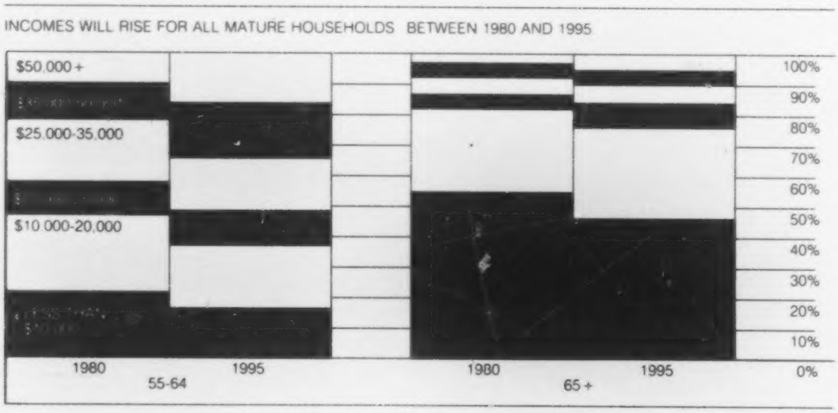
GROWTH OF 55+ GROUP TO OUTSTRIP ALL OTHERS



By the year 2020, the 55 and over market—today's baby boomers—is expected to command nearly a 30 percent share of the total U.S. population.

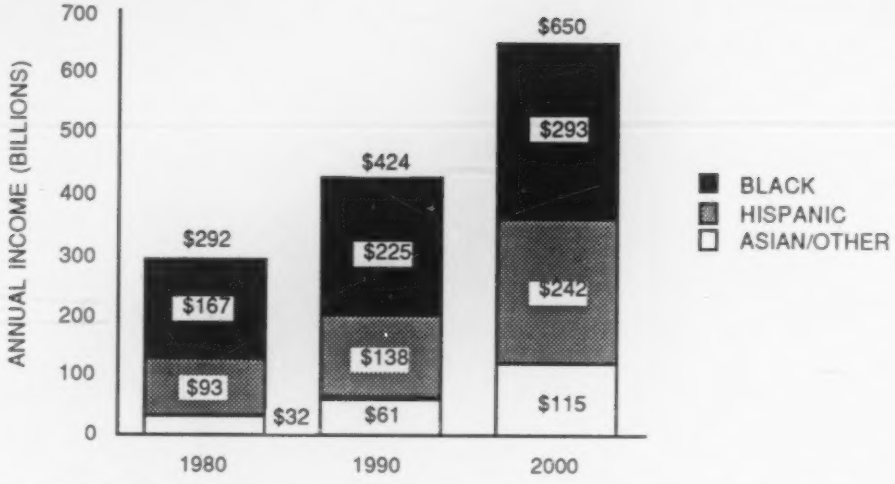
Source: Folio Magazine, March 1987, U.S. Census Bureau figures

INCOMES OF THE MATURE MARKET



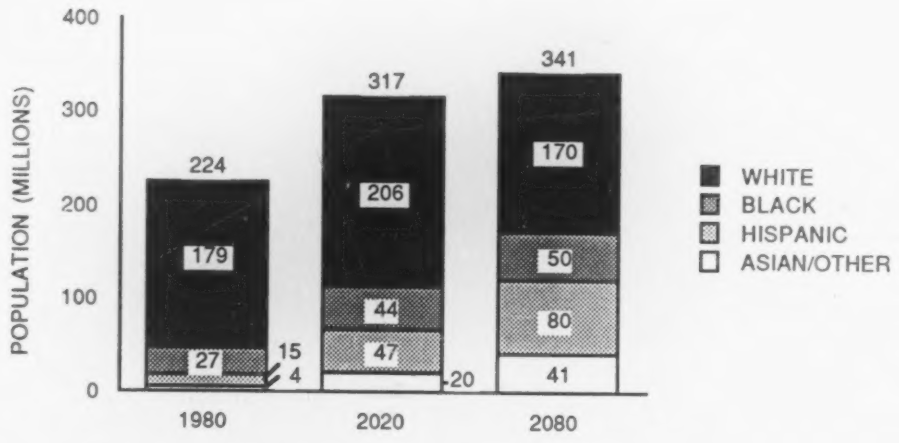
Source: American Demographics, March 1985

A CHANGING MARKETPLACE



Source: Inc. Magazine Inc. Publishing Corporation, July 1987. Estimates based on population figures from the Population Reference Bureau, Washington, D.C. and per capita income figures from the Bureau of Census. All figures in 1985 dollars.

A CHANGING POPULATION



Sometime in the next century, blacks, asians and hispanics will outnumber whites.

Source: Inc. Magazine Inc. Publishing Corporation, July 1987. Population Reference Bureau, Washington, D.C. Figures for 1980 based on U.S. Census, figures for 2000 and beyond are projections. Projections assume a rate of illegal immigration of 500,000 per year.

HISPANIC POPULATION IN 1985

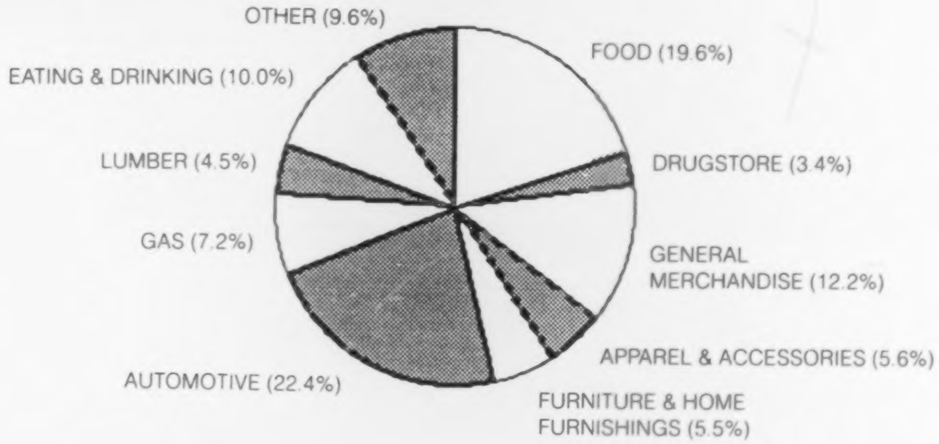
1985 CENSUS (POPULATION IN MILLIONS)

		SPANISH %	U.S. %
MEXICAN	10.269	60.6	4.4
PUERTO RICAN	2.562	15.1	1.1
CUBANS	1.036	6.2	0.4
OTHER SPANISH	3.072	18.1	1.3

The nation's Hispanic population reached 16.9 million in 1985, an increase of 16 percent since the 1980 census, according to the Commerce Dept. Census Bureau. This increase compares with a 3 percent growth in the total population. During the same time period, the Hispanic proportion of the total population grew from 6.4 percent to 7.2 percent.

Source: Target Marketing Magazine, March 1986

TOTAL RETAIL SALES BY PRODUCT CATEGORY



TOTAL RETAIL SALES IN TOP 100 MARKETS % U.S. SALES

CATEGORY	SALES IN TOP 100 MARKETS 1985	1982	% CHNG	TOTAL U.S. RETAIL SALES 1985	1982	% CHNG	TOP 100 MARKETS % U.S. 1985	1982	% CHNG
FOOD	$170,148	$152,559	11.5	$281,430	$252,802	11.3	60.5	60.3	0.2
DRUGSTORES	29,873	22,414	33.3	47,371	35,849	32.1	63.1	62.5	0.9
GENERAL MERCHANDISE	105,895	88,396	19.8	160,558	131,282	22.3	66.0	67.3	(2.0)
APPAREL & ACCESSORIES	48,754	33,991	43.4	71,898	51,991	38.3	67.8	65.4	3.7
FURNITURE	47,907	29,816	60.7	70,596	46,513	51.8	67.9	64.1	5.9
AUTOMOTIVE STORES	194,858	109,405	78.1	310,001	182,390	70.0	62.9	60.0	4.8
GASOLINE STATIONS	62,491	60,021	4.1	102,731	104,633	(1.8)	60.8	57.4	6.0
LUMBER & HARDWARE	39,461	31,516	25.2	72,948	48,975	49.0	54.1	64.4	(15.9)
EATING & DRINKING	86,758	70,494	23.1	130,334	107,357	21.4	66.6	65.7	1.4
OTHER	83,747	66,898	25.2	129,997	113,887	14.1	64.4	58.7	9.7
TOTAL	869,892	665,509	30.7	1,377,866	1,075,679	28.1	63.1	61.9	2.0

NOTE: Dollars in millions. Totals may not be exact because of rounding of numbers.

Source: Marketing Economics Institute, 1986

TOP 10 MARKETS BY DISPOSABLE INCOME

RANK	MARKET	DISPOSABLE INCOME		RETAIL SALES
		1985	1982	
1.	NEW YORK	$116,792	$90,432	$37,741
2.	LOS ANGELES-LONG BEACH, CA	105,842	53,360	49,883
3.	CHICAGO	83,300	58,042	36,500
4.	PHILADELPHIA, PA–NJ	62,356	47,925	28,060
5.	WASHINGTON, DC–MD–VA	60,777	44,889	24,461
6.	BOSTON	55,280	39,265	26,341
7.	DETROIT	53,258	43,676	24,041
8.	NASSAU-SUFFOLK, NY	42,927	32,572	19,893
9.	HOUSTON	42,901	37,436	19,679
10.	ANAHEIM-SANTA ANA, CA	34,645	29,159	16,273

NOTE: Dollars in millions. Because of changes in census data, market composition differs from 1985 to 1982. Rank taken from top 100 markets only.

Source: Marketing Economics Institute, 1986

TOP 10 MARKETS BY POPULATION GROWTH

RANK	MARKET	1985	1980	POPULATION CHNG	% CHNG
1.	AUSTIN, TX	696	537	159	29.6
2.	WEST PALM BEACH-BOCA RATON	723	577	146	25.4
3.	ORLANDO, FL	866	700	166	23.8
4.	FORT WORTH-ARLINGTON, TX	1,200	973	227	23.3
5.	RIVERSIDE-SAN BERNARDINO, CA	1,907	1,558	348	22.4
6.	PHOENIX, AZ	1,847	1,509	337	22.4
7.	LAS VEGAS, NV	557	463	94	20.2
8.	BAKERSFIELD, CA	481	403	78	19.3
9.	DALLAS	2,312	1,957	354	18.1
10.	HOUSTON	3,222	2,735	487	17.8

NOTE: Figures in thousands. Rank taken from top 100 markets only.

Source: U.S. Department of Labor, Bureau of Census, 1986

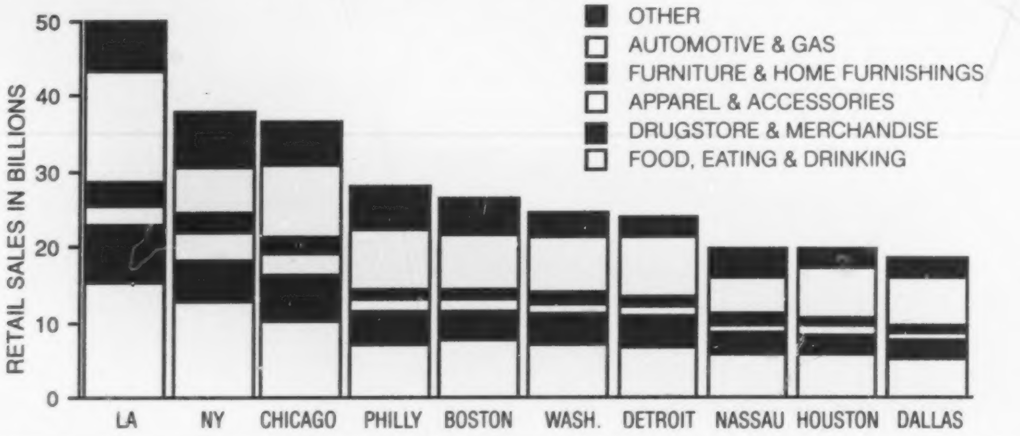
10 U.S. MARKETS WITH LARGEST POPULATION LOSS

RANK	MARKET	1985	1980	POPULATION CHNG	% CHNG
1.	BUFFALO, NY	971	1,015	(44)	(4.3)
2.	DETROIT	4,319	4,488	(169)	(3.8)
3.	FLINT, MI	434	450	(17)	(3.7)
4.	YOUNGSTOWN-WARREN, OH	513	531	(19)	(3.5)
5.	PITTSBURGH	2,143	2,219	(76)	(3.4)
6.	GARY-HAMMOND, IN	622	643	(21)	(3.3)
7.	AKRON, OH	646	660	(14)	(2.1)
8.	CLEVELAND	1,860	1,899	(39)	(2.0)
9.	TOLEDO, OH	608	617	(9)	(1.4)
10.	MILWAUKEE	1,379	1,397	(18)	(1.3)

NOTE: Figures in thousands. Rank taken from top 100 markets only.

Source: U.S. Department of Labor, Bureau of Census, 1986

TOP 10 RETAIL SALES MARKETS BY CATEGORY



Products/Colors correspond to bar/colors from top to bottom.

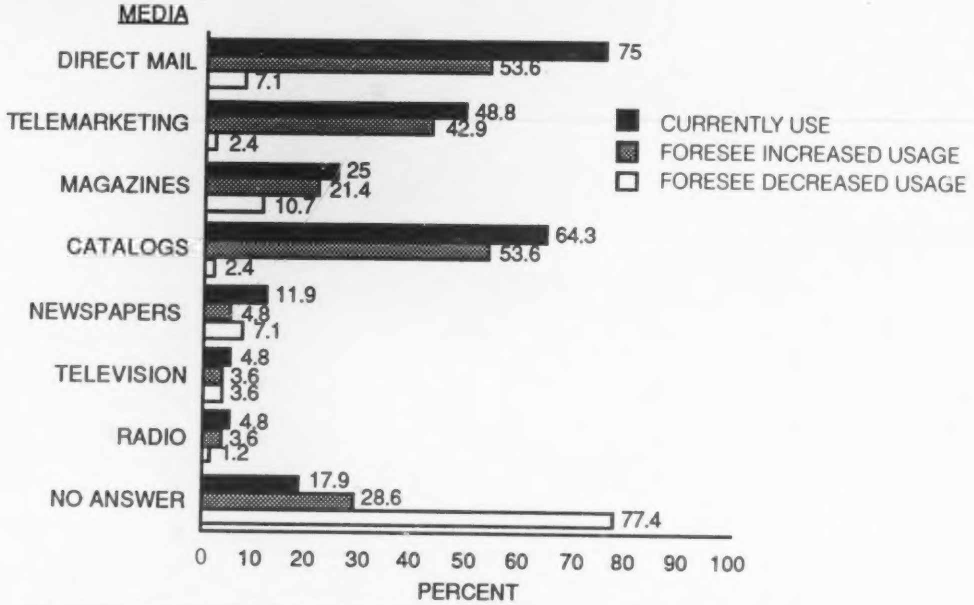
TOP 10 MARKETS IN 1985 BY RETAIL SALES

RANK	MARKET	TOTAL SALES	'85–'82 % CHNG	EATING/ DRINKING	DRUGS/ MDSE	APPAREL/ ACCESS.	FURNITURE	AUTO/ GAS	OTHER
1.	LOS ANGELES–LONG BEACH	$49,883	26.3	$15,168	$7,694	$2,718	$3,122	$14,531	$6,650
2.	NEW YORK	37,741	30.0	12,592	5,653	3,588	2,676	6,143	7,089
3.	CHICAGO	36,500	24.0	10,227	6,166	2,756	2,051	9,761	5,538
4.	PHILADELPHIA, PA–NJ	28,060	31.8	6,953	4,390	1,666	1,351	7,989	5,710
5.	BOSTON	26,341	31.9	7,581	3,790	1,711	1,334	7,193	4,732
6.	WASHINGTON, DC–MD–VA	24,461	37.2	7,144	3,973	1,452	1,500	7,416	2,976
7.	DETROIT	24,041	22.6	6,748	3,969	1,489	1,251	7,920	2,664
8.	NASSAU-SUFFOLK, NY	19,893	24.8	5,703	2,743	1,266	1,298	4,886	3,997
9.	HOUSTON	19,679	3.3	5,635	2,777	1,129	1,053	6,676	2,409
10.	DALLAS	18,452	52.4	5,070	2,502	1,044	1,041	6,417	2,376

NOTE: Dollars in millions.

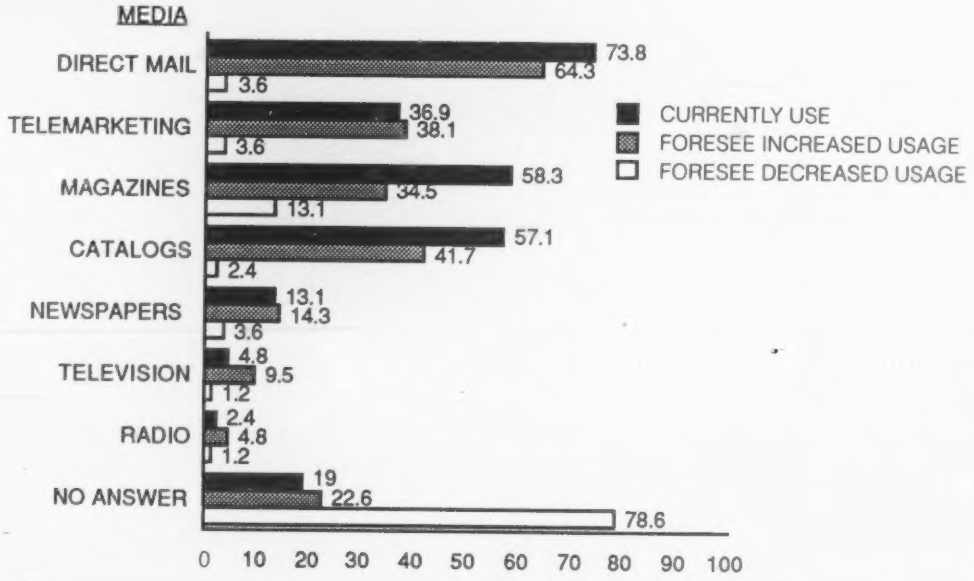
Source: Marketing Economics Institute, 1986

SELLING DIRECTLY
TODAY'S PATTERNS VS. TOMORROW'S EXPECTATIONS



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

MEDIA USED IN BUSINESS-TO-BUSINESS LEAD GENERATION
TODAY'S PATTERNS VS. TOMORROW'S EXPECTATIONS



Source: DMA Research Department, Marketing Council, Direct Marketing Practices and Trends Survey, 1986

SIZE OF INDIVIDUAL INDUSTRY MARKET BY MAJOR INDUSTRY GROUPS AND SIC CODE (ESIC & SOI)

The following Table breaks down 21 major industry divisions by the number of total U.S. establishments reported by individual authoratative government and private sector sources. The industry divisions are based on lines-of-business categories within the Government's "Standard Industrial Classification" code. The basic SIC code classification unit is the "establishment"—defined by the U.S. Census as "an economic unit, generally at a single physical location, where business is conducted or where services are performed such as a farm, factory, store or hotel, etc. The Enterprise Standard Industrial Classification (ESIC) code system is used by Census in its retabulation of its five year Census of business data, which is based on establishment statistics, into enterprise or company statistics. The Statistics of Income (SOI) code system is used by the Internal Revenue Service to classify and report business tax return information.

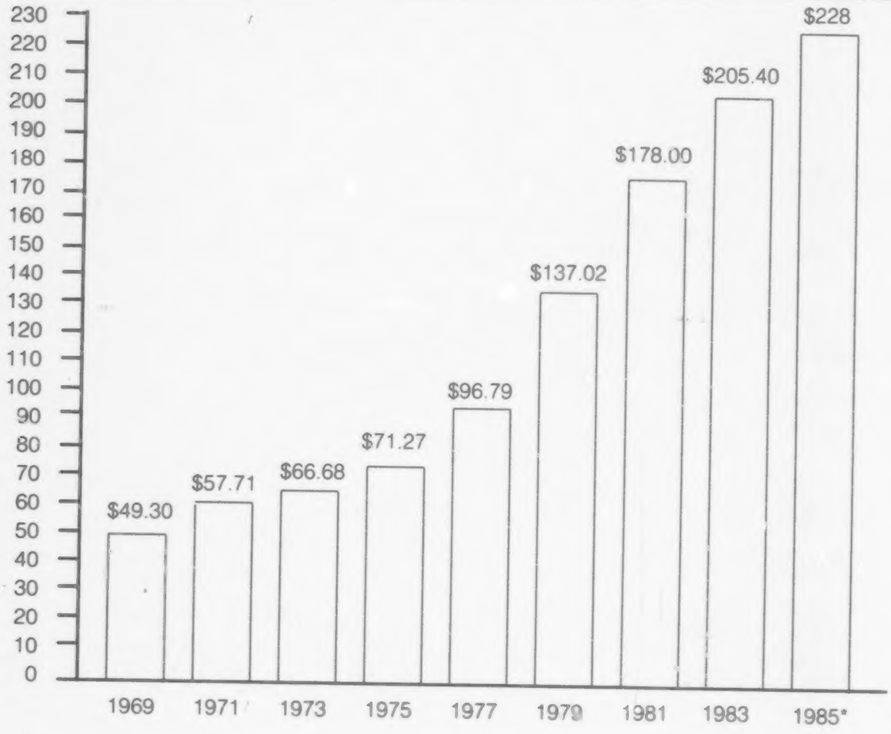
(Number of U.S. Establishments)

	SICs	'84 BUREAU OF LABOR STATISTICS	'83 COUNTY BUSINESS PATTERNS*	'82 CENSUS OF BUSINESS	'82 CENSUS ENTERPRISE (ESIC)	'83 IRS/SOI	'85 DUN'S CENSUS OF BUSINESS		'86 DUN'S NAT'L BUSINESS LISTS**	'86 ED BURNETT CONSUL-TANTS, INC.	'86 AMERICAN BUSINESS LISTS, INC.
AGR./FOREST/ FISHERY	01–09	115,778	61,591	†	867,715	532,231	201,534	P T	156,495 254,889	115,250	†
MINING	10–14	43,465	35,221	73,005	43,366	216,159	56,028	P T	45,704 66,360	48,610	59,987
CONSTRUCTION	15–19	520,373	458,267	1,389,309	449,388	1,620,330	836,960	P T	675,594 1,106,686	722,340	946,679
MANUFACTURING	20–39	345,872	340,752	358,061	293,556	618,903	592,994	P T	388,557 647,482	420,500	404,324
TRANSPORTATION	40–47	161,030	151,047	†	†	547,278	200,359	P T	172,284 223,356	150,650	300,131
COMMUNICATIONS/ UTILITIES	48–49	37,726	44,795	†	†	78,655	40,314	P T	40,873 50,490	49,280	70,834
WHOLESALE	50–51	483,825	424,977	415,829	326,492	510,973	761,009	P T	555,376 1,145,911	686,730	†
RETAIL	52–59	1,164,104	1,396,655	1,923,228	1,055,095	2,830,202	1,887,151	P T	1,506,577 2,724,580	2,071,970	†
BANKING SERVICES	60–62	84,728	129,277	†	†	261,913	112,956	P T	124,992 137,447	183,590	270,950
INSURANCE	63–64	124,652	131,921	†	†	347,898	136,523	P T	154,990 168,283	188,420	226,141
REAL ESTATE/ INV. SVCS	65–67	206,100	214,715	†	†	1,530,189	316,816	P T	301,437 357,946	316,130	386,066
BUSINESS SERVICES	70–79	566,392	725,465	661,222	1,220,631	3,759,941	1,034,510	P T	963,531 1,741,589	1,571,000	†
MEDICAL HEALTH	80	360,456	348,288	542,628	345,951	717,950	303,883	P T	348,206 361,551	534,990	217,948
LEGAL SERVICES	81	118,295	124,603	203,015	119,927	270,058	127,930	P T	136,758 138,856	351,540	443,565
EDUCATION SERVICES	82	22,964	29,282	107,620	6,703	200,350	144,014	P T	147,608 168,359	219,490	126,562
ORGANIZATIONS	83–86	143,017	174,166	†	†	14,417	76,086	P T	148,739 175,352	194,860	†
RELIGIOUS SERVICES	8661	5,707	92,885	†	†	†	33,030	P T	55,184 83,998	185,390	14,664
ENGINEERS/ ARCHITECTS	8911	50,293	49,456	96,859	43,349	166,921	50,825	P T	58,260 66,137	73,270	111,824
ACCOUNTING SERVICES	8931	54,114	56,655	179,757	52,376	253,748	57,002	P T	58,479 63,193	108,250	38,636
MISC SERVICES	89 except 8911 and 8931	9,229	22,021	†	32,728	422,539	14,527	P T	55,336 171,560	6,600	30,500
PUBLIC/ GOVERNMENT	90	185,948	NA	†	†	†	NA	P T	69,692 75,027	131,510	†
TOTAL		4,804,715	5,517,715	7,400,000	4,957,277	14,933,960	7,030,381	P T	6,164,672 9,929,082	8,164,960	

*Excludes auxiliary and administrative establishments.
**D&B files combined with MDR data.
†Census not taken for these industry fields or data not compiled in total counts.
P = number of est. with Primary SIC.
T = Total number of est. with Primary & Secondary SICs.

Source: DMA Information Central, 1987

COST OF AN INDUSTRIAL SALES CALL

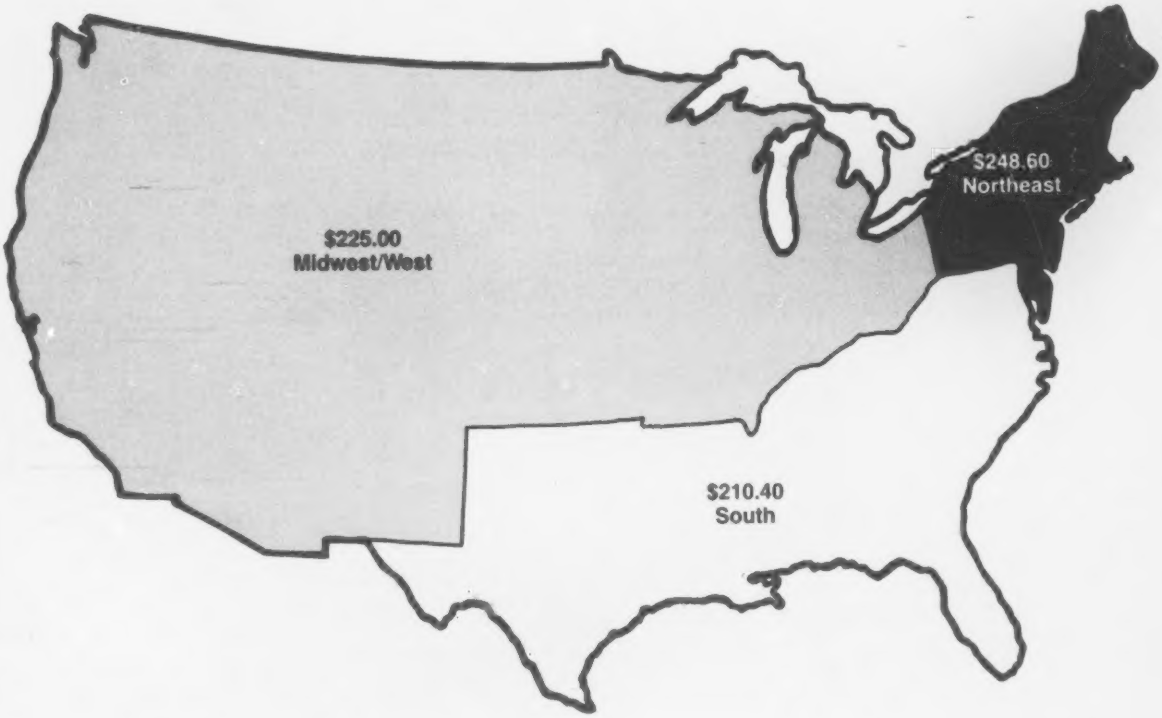


Source: McGraw-Hill Research 1985 "Cost of an Industrial Sales Call" Survey

BUSINESS-TO-BUSINESS SALES CALL COSTS VARY AMONG U.S. GEOGRAPHIC REGIONS

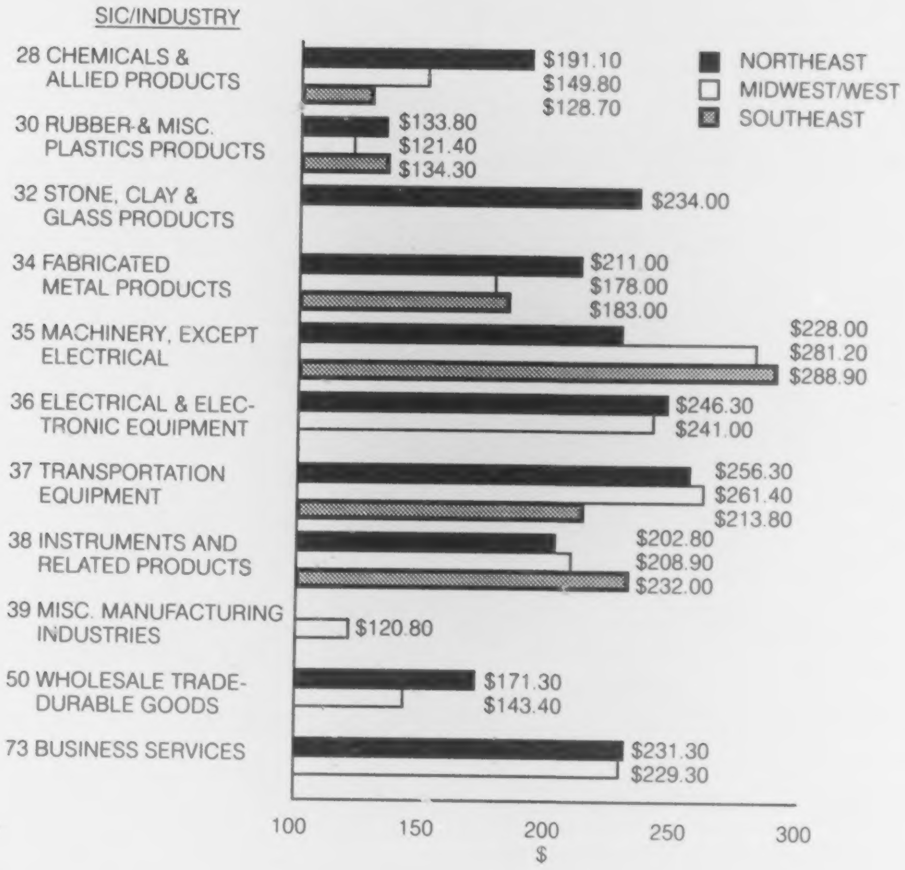
Personal selling costs differ by regions, ranging from a low of $210.40 in the South to a high of $248.60 in the Northeast. This McGraw-Hill Research study identifies average sales call costs by U.S. regions as shown in the table below.

Personal Selling Costs by U.S. Geographic Regions



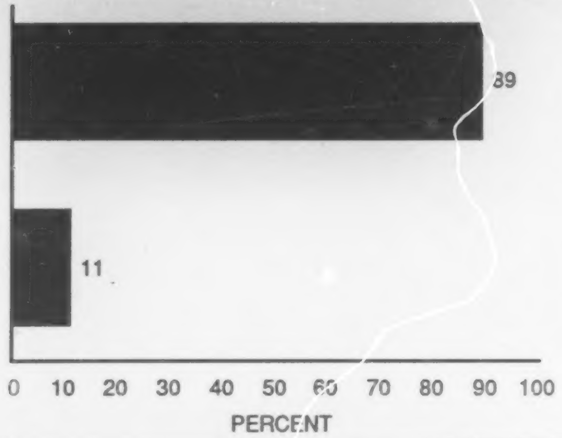
Source: McGraw-Hill Research 1985 "Cost of an Industrial Sales Call" Survey

COST OF A SALES CALL BY INDUSTRY AND REGIONS



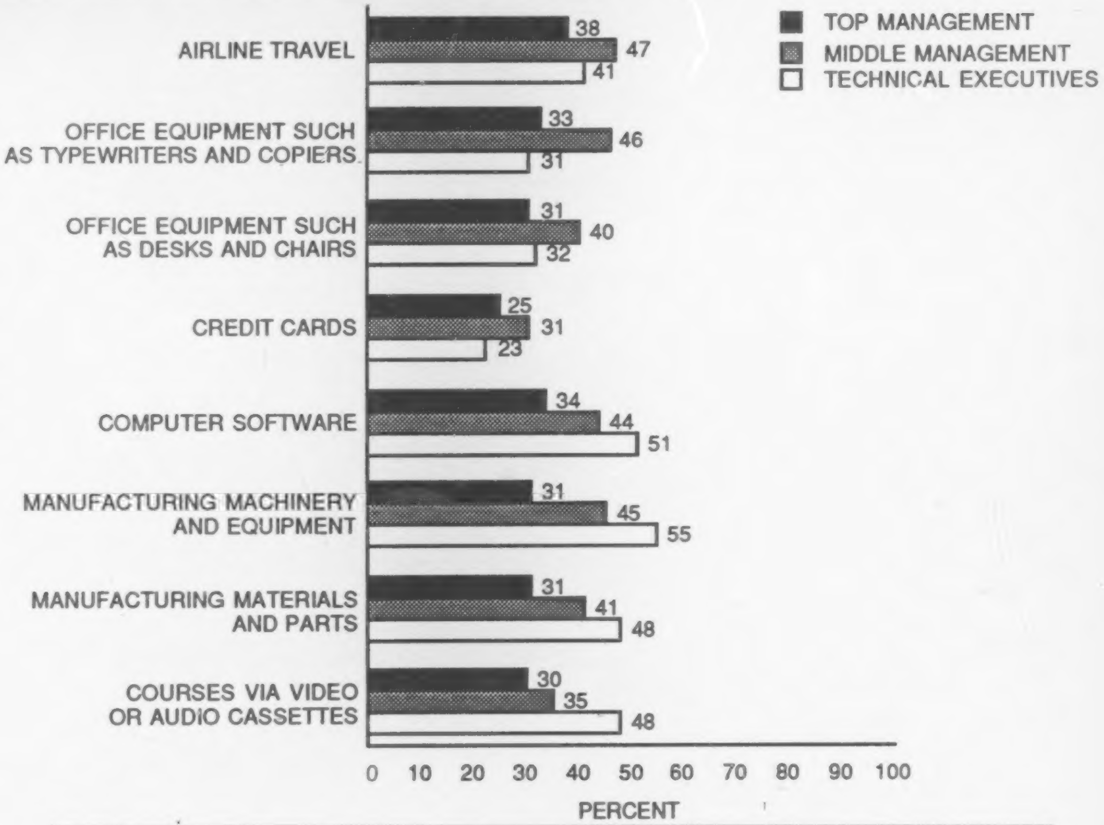
Source: McGraw-Hill Research 1985 "Cost of an Industrial Sales Call" Survey

PERCENT OF EXECUTIVES WHO BOUGHT A BUSINESS RELATED PRODUCT OR SERVICE THAT WAS BROUGHT TO THEIR ATTENTION BY DIRECT RESPONSE ADVERTISING IN THE LAST 12 MONTHS



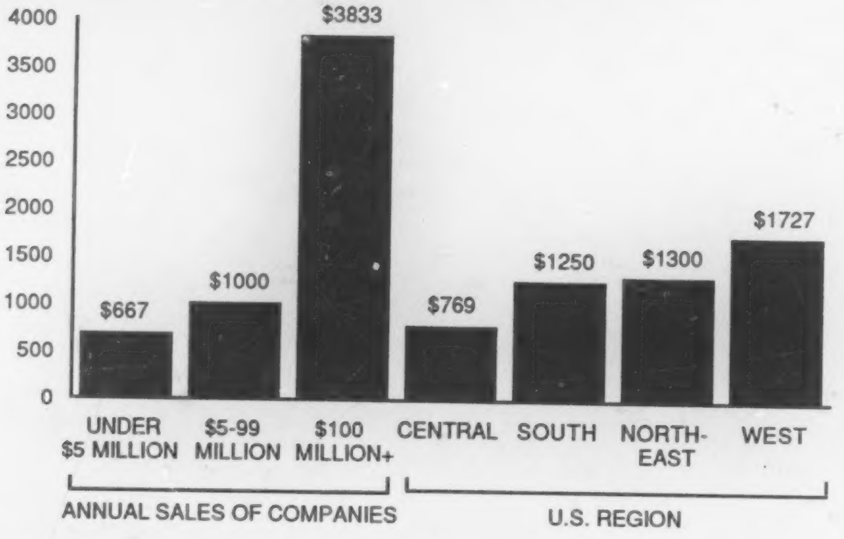
Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

BUSINESS RELATED PRODUCTS BOUGHT VIA DIRECT RESPONSE OR RESPONDED TO AN OFFER BY LEVEL OF MANAGEMENT IN THE PAST 12 MONTHS



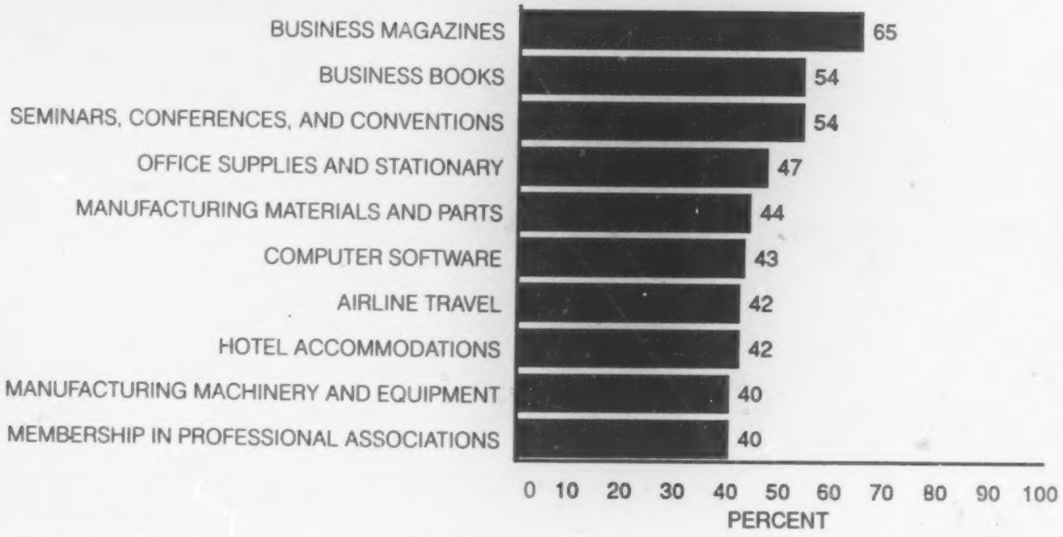
Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

MEDIAN AMOUNT SPENT ON PRODUCTS AND SERVICES MARKETED THROUGH DIRECT RESPONSE MEDIA



Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

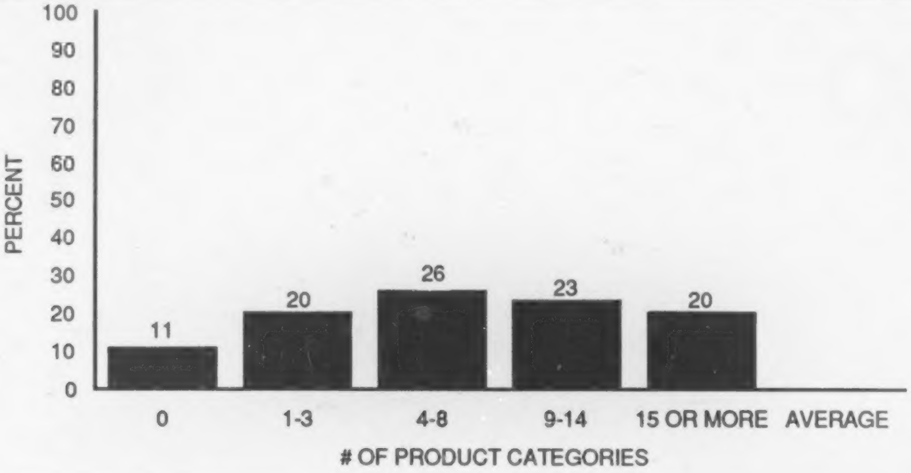
TOP 10 BUSINESS PRODUCTS BOUGHT VIA DIRECT RESPONSE OR RESPONDED TO AN OFFER FOR INFORMATION, A DEMONSTRATION OR A VISIT FROM A SALES REPRESENTATIVE



Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

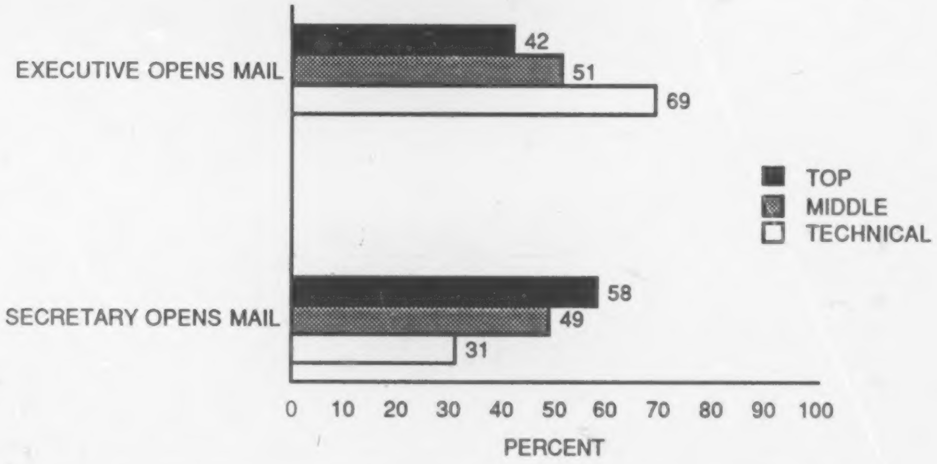
NUMBER OF PRODUCT CATEGORIES BOUGHT VIA DIRECT RESPONSE IN THE PAST 12 MONTHS

The average executive bought nine different types of business related products and services that were brought to his attention by direct response advertising.



Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

WHO OPENS BUSINESS MAIL BY MANAGEMENT LEVEL



Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

AVERAGE NUMBER OF BUSINESS MAILINGS RECEIVED PER WEEK

NUMBER OF PIECES PER WEEK	
0–10	19%
11–20	15
21–30	26
31–40	4
41–50	7
51–75	7
75+	15
AVERAGE	44

PERCENTAGE OF BUSINESS MAIL UNSOLICITED

PERCENTAGE UNSOLICITED	
0–20	7%
21–40	11
41–60	11
61–80	26
81–100	44
AVERAGE	70%

Source: Stephan Direct, Inc. 1985

MAJOR FACTORS ACCOUNTING FOR POTENTIAL MAIL ORDER SALES GROWTH

	TOTAL SAMPLE		TYPE OF COMPANY				MAIL ORDER SALES SIZE			
			BUSINESS PRODUCTS/ SERVICES		INDUSTRIAL PRODUCTS		LESS THAN $2.5 MM		$2.5 MM +	
	#	%	#	%	#	%	#	%	#	%
TOTAL IN SAMPLE	92	100	57	100	35	100	37	100	36	100
TOTAL RESPONDING	89	97	55	96	34	97	35	95	36	100
GENERAL CATEGORY GROWTH	24	26	17	30	7	20	10	27	8	22
INCREASING PERSONAL SELLING EXPENSE	28	30	18	32	10	29	7	19	18	50
INCREASING IN-STORE SELLING	11	12	5	9	6	17	4	11	5	14
INADEQUATE IN-STORE SELLING	1	1			1	3			1	3
GENERAL MAIL ORDER GROWTH	47	51	31	54	16	46	20	54	22	61
STILL UNTAPPED CUSTOMER BASE RESOURCES	24	26	14	25	10	29	10	27	8	22
MAIL ORDER PRODUCT LINE OPPORTUNITIES	22	24	13	23	9	26	7	19	12	33
MAIL ORDER MERCHANDISING (PRODUCT PROMOTIONAL OPPORTUNITIE)S	31	34	19	33	12	34	15	41	14	39
MAIL ORDER CUSTOMER SERVICE OPPORTUNITIES	19	21	14	25	5	14	7	19	10	28
MICROCOMPUTER TECHNOLOGY	1	1	1	2					1	3
MAIL ORDER MEDIA OPPORTUNITIES	49	53	30	53	19	54	13	35	27	75
CATALOG	42	46	25	44	17	49	10	27	24	67
OTHER DIRECT MAIL	22	24	13	23	9	26	3	8	15	42
SPACE	8	9	7	12	1	3	2	5	4	11
TELEPHONE—OUTBOUND	17	18	12	21	5	14	1	3	12	33
TELEPHONE—INBOUND	19	21	13	23	6	17	2	5	13	36
BROADCAST—TV	1	1			1	3			1	3
BROADCAST—CABLE	4	4	2	4	2	6	2	5	2	1
OTHER	2	2	2	4					1	3
NO RESPONSE	3	3	2	4	1	3	2	5		
TOTAL RESPONSE	372	402	236	414	136	389	113	305	198	550

MAJOR FACTORS LIMITING MAIL ORDER SALES GROWTH

	TOTAL SAMPLE		TYPE OF COMPANY				MAIL ORDER SALES SIZE			
			BUSINESS PRODUCTS/ SERVICES		INDUSTRIAL PRODUCTS		LESS THAN $2.5 MM		$2.5 MM –	
	#	%	#	%	#	%	#	%	#	%
TOTAL IN SAMPLE	92	100	57	100	35	100	37	100	36	100
TOTAL RESPONDING	83	90	52	91	31	89	32	86	34	94
GENERAL CATEGORY SLOWDOWN	8	9	6	11	2	6	1	3	5	14
INCREASING PERSONAL SELLING MARKET COVERAGE	4	4	2	4	2	6	6	16	4	11
INCREASING RETAIL STORE COVERAGE	13	14	9	16	4	11	14	38	4	11
INCREASING MAIL ORDER COMPETITIVE SATURATION	38	41	27	47	11	31	6	16	19	53
SATURATED CUSTOMER BASE RESOURCES	19	21	15	26	4	11	2	5	10	28
DECLINING PRODUCT LINE EXPANSION OPPORTUNITIES	8	9	6	11	2	6	18	49	5	14
INCREASING PROMOTIONAL COST	39	42	26	46	13	37	7	20	16	44
INCREASING FULFILLMENT COSTS	16	17	12	21	4	11	1	3	7	19
ECONOMY SLOWDOWN	2	2	1	2	1	3	1	3		
EDUCATIONAL BUDGET CUTBACKS	1	1	1	2						
MAIL ORDER PRICE COMPETITION	1	1			1	3			1	3
COST OF ORDERS	1	1	1	2			1	3		
UNSATISFACTORY SUPPLIER SERVICE	1	1	1	2						
MAIL ORDER SERVICING LIMITATIONS	1	1			1	3			1	3
NONE	3	3	1	2	2	6				
NO RESPONSE	9	10	5	9	4	11	5	14	2	6
TOTAL RESPONSE	155	168	108	189	47	134	57	154	73	203

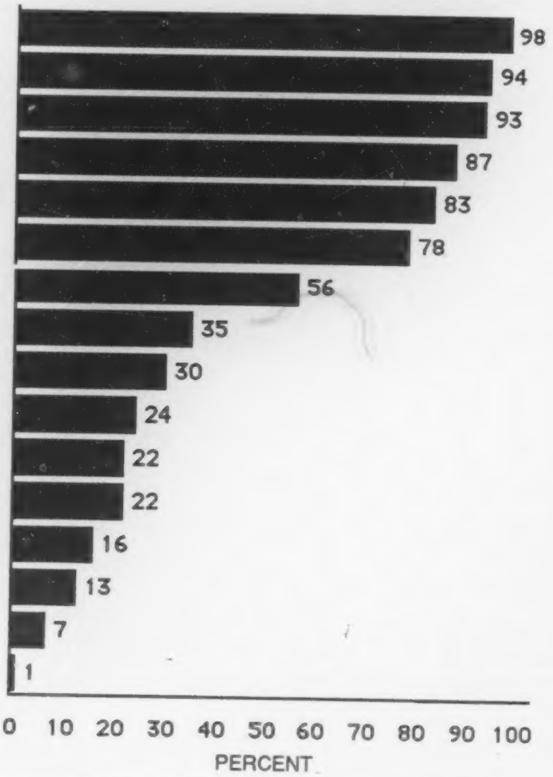
Source: Arnold Fishman, Marketing Logistics, 1983

BUSINESS-TO-BUSINESS ADVERTISING BY MEDIA TYPE

Over 90% of industrial companies spend money on business & industrial publications, trade shows & exhibits, fairs, company & product catalogs. Fewer than 17% report expenditures for radio, television, outdoor advertising, and car cards. These are the results of a study conducted by McGraw-Hill Research to determine how industrial firms spent their media budgets in 1984.

The percentage of companies that invest dollars on various expenses including sales promotion, advertising department overhead, and miscellaneous is shown on the following pages.

MEDIA BUDGET ITEM	# OF INDUSTRIAL COMPANIES REPORTING	% OF INDUSTRIAL COMPANIES SPENDING MONEY
BUSINESS & INDUSTRIAL PUBLICATIONS	461	98
TRADE SHOWS & EXHIBITS, FAIRS	461	94
COMPANY & PRODUCT CATALOGS	454	93
DIRECTORY & BUYER'S GUIDE ADVERTISING	441	87
DIRECT MAIL	451	83
POSTAGE FOR DIRECT MAIL	446	78
TELEPHONE DIRECTORY ADVERTISING	448	56
NEWSPAPERS	416	35
EXTERNAL HOUSE ORGAN	432	30
CONSUMER PUBLICATIONS	408	24
PREFILED CATALOG ADVERTISING	422	22
ADVERTISING IN PROGRAMS FOR SPORTS EVENTS, THEATER, ETC.	431	22
RADIO	400	16
TELEVISION	399	13
OUTDOOR ADVERTISING	423	7
CAR CARDS	420	1



Source: McGraw-Hill Research, 1984, "Survey of Advertising Expenditures."

NUMBER OF FINANCIAL SERVICES SALES PIECES RECEIVED IN THE PAST MONTH

	NONBUYERS	DIRECT BUYERS
NONE	26%	13%
1 OR 2	25	26
3 TO 5	32	32
6 OR MORE	14	26
DO NOT RECALL	3	3
	100%	100%

Source: Life Insurance Marketing Research Association, 1985

FINANCIAL AND INVESTMENT PRODUCTS OWNED OR USED BY HOUSEHOLD

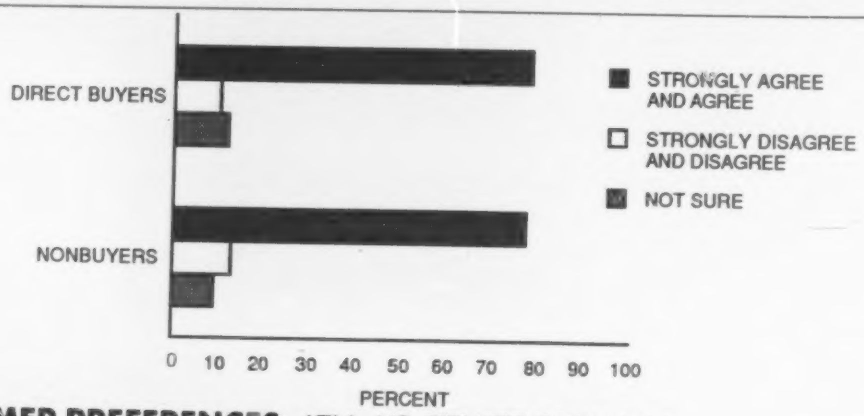
	NON-BUYERS	DIRECT BUYERS	DIRECT BUYERS			
			LIFE	HEALTH	P&C	INVEST.
SAVINGS ACCOUNT	71%	73%	70%	73%	75%	73%
CREDIT UNION SHARE ACCOUNT	28	33	34	23	41	38
CHECKING ACCOUNT, NO INTEREST PAID	53	53	55	52	49	52
CHECKING ACCOUNT, WITH INTEREST PAID	39	47	39	43	48	60
CERTIFICATE OF DEPOSIT (CD)	37	41	29	49	45	49
MONEY MARKET FUND	26	39	25	30	42	80
MUTUAL FUND	10	20	7	12	20	49
COMMON OR PREFFERED STOCK	21	32	22	21	41	58
GOVERNMENT SAVINGS BONDS	24	26	28	22	26	23
CORPORATE BONDS	3	6	3	5	7	15
STATE OR MUNICIPAL BONDS	4	7	3	4	9	19
LIMITED PARTNERSHIP TAX SHELTER	3	5	3	2	4	11
OTHER	2	4	4	3	3	4
HOUSEHOLDS WITH NONE OF THE ABOVE	5%	3%	6%	3%	2%	—

– No cases

Source: Life Insurance Marketing Research Association, 1985

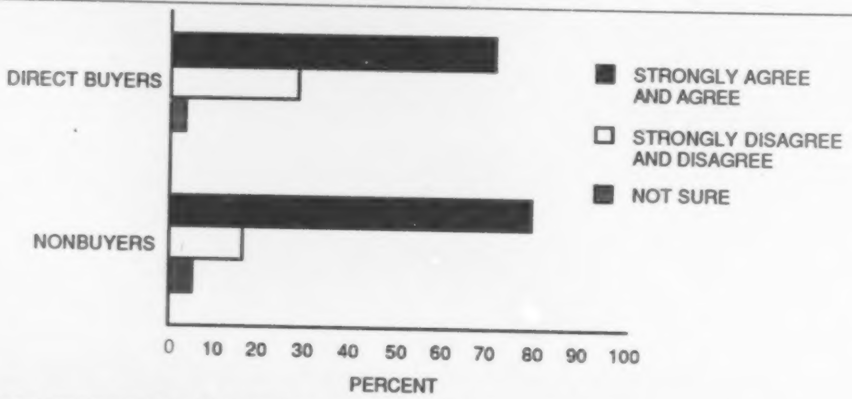
CONSUMER ATTITUDES TOWARDS THE FINANCIAL SERVICES INDUSTRY
RE: INCREASING WAYS TO PURCHASE

Consumer has the advantage today because there are so many different ways to buy insurance and financial products and services.



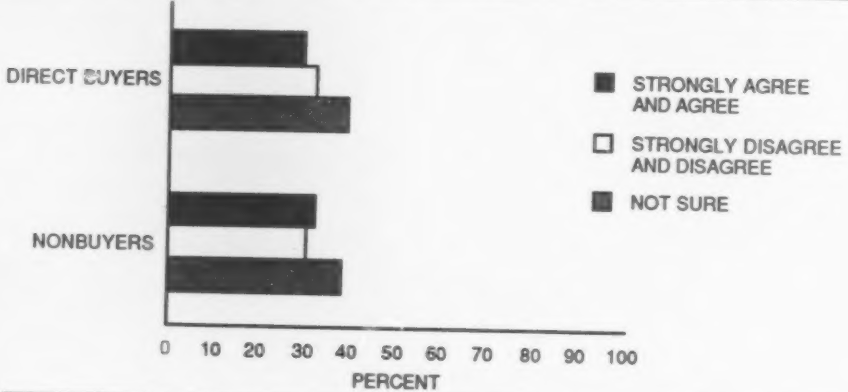
CONSUMER PREFERENCES: ATMs VS. TELLER SERVICES

Even though automated teller machines (ATMs) are very popular, I still prefer to deal with a teller personally when making routine banking transactions.



CONSUMER PREFERENCES RE: ONE STOP FINANCIAL CENTERS

One stop financial centers are smart places to shop for financial products and services.



Source: Life Insurance Marketing Research Association, 1985

PRIMARY ADVANTAGES OF BUYING INSURANCE OR INVESTMENTS DIRECT FROM A COMPANY

	NONBUYERS	DIRECT BUYERS
NONE OR NOT SURE	34%	10%
LESS EXPENSIVE	43	50
NO PRESSURE FROM AGENT	12	18
SAVES TIME/CONVENIENT	5	11
BETTER/MORE CHOICE	4	9
COMPANY'S REPUTATION	1	1
OTHER	1	1
	100%	100%

Source: Life Insurance Marketing Research Association, 1985.

ATTENTION PAID TO DIRECT MAIL SALES LITERATURE ON INSURANCE AND INVESTMENTS

	NONBUYERS	DIRECT BUYERS
READ THOROUGHLY ALL OR MOST	6%	14%
READ SELECTED PIECES	20	27
GLANCE AT ALL	54	52
THROW MOST AWAY UNOPENED	20	7
SOMEONE ELSE SCREENS MAIL	+	--
	100%	100%

+Less than 1/2 of 1 percent
–No cases

Source: Life Insurance Marketing Research Association, 1985.

PRIMARY REASON FOR PURCHASING LIFE INSURANCE DIRECTLY RATHER THAN THROUGH AN AGENT

		PERSONAL LIFE AGENT	
	TOTAL	HAVE	DO NOT HAVE
LESS EXPENSIVE	50%	55%	46%
POLICY MEETS NEEDS	13	14	12
CONVENIENT, EASIER	12	10	13
ADVERTISING	7	3	10
COMPANY REPUTATION	6	5	7
ENDORSED BY ASSOCIATION	4	5	4
THROUGH EMPLOYER	4	4	5
OTHER	4	4	3
	100%	100%	100%
ALL DIRECT BUYERS		41%	59%

Source: Life Insurance Marketing Research Association, 1985

IMPORTANT FACTORS IN PURCHASING INSURANCE OR INVESTMENTS DIRECTLY

	NONBUYERS	DIRECT BUYERS
NO AGENT WILL CALL		
HOUSEHOLD HEADS AGED. . .		
65 AND OVER	39%	40%
50–64	28	46
35–49	27	40
UNDER 35	26	34
ALL HOUSEHOLDS	29%	40%
NO PHYSICAL REQUIRED		
HOUSEHOLD HEADS AGED. . .		
65 AND OVER	46%	45%
50–64	30	45
35–49	35	34
UNDER 35	28	29
ALL HOUSEHOLDS	34%	39%
TOLL-FREE PHONE NUMBER FOR:		
MAKING PURCHASE	68%	64%
MAKING CLAIMS	81	81
QUESTIONS AND OTHER SERVICES	81	83

Source: Life Insurance Marketing Research Association, 1985

PRIMARY DISADVANTAGES OF BUYING INSURANCE OR INVESTMENTS DIRECT FROM A COMPANY

	NONBUYERS	DIRECT BUYERS
NONE OR NOT SURE	9%	13%
NO PERSONAL CONTACT/NO AGENT	56	49
MIGHT MISUNDERSTAND POLICY	21	23
CLAIMS A PROBLEM	10	10
MORE EXPENSIVE	1	1
OTHER	3	4
	100%	100%

Source: Life Insurance Marketing Research Association, 1985

NUMBER OF LIFE INSURANCE POLICIES THAT HOUSEHOLDS BOUGHT DIRECTLY

	PERCENT
ONE	52%
TWO	29
THREE OR MORE	19
	100%

Source: Life Insurance Marketing Research Association, 1985

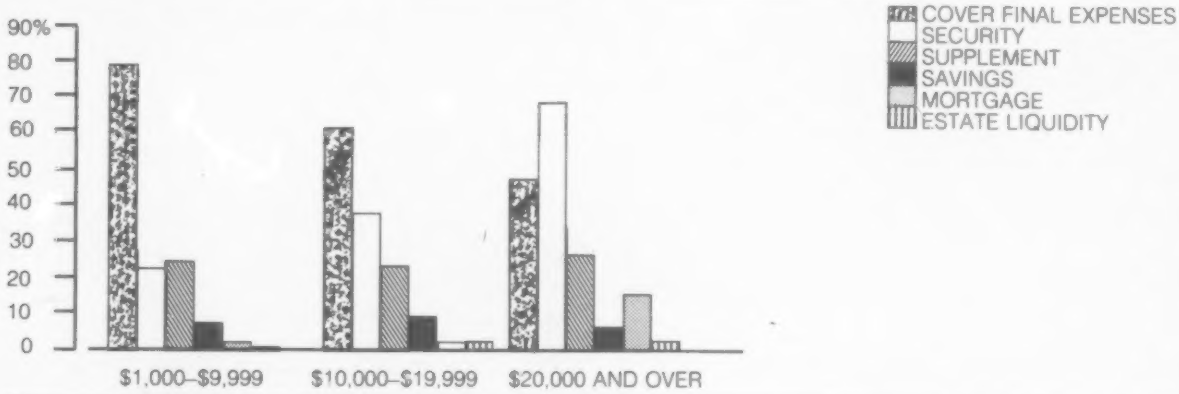
TYPES OF INSURANCE COVERAGE HOUSEHOLD CURRENTLY OWNS

	NON-BUYERS	DIRECT BUYERS	DIRECT BUYERS			
			LIFE	HEALTH	P&C	INVEST.
AUTO	90%	93%	90%	90%	97%	96%
HOSPITAL/MEDICAL	87	89	86	86	89	93
LIFE	85	86	98	75	84	86
HOMEOWNERS/RENTERS	84	86	78	85	86	91
ACCIDENTAL DEATH AND DISMEMBERMENT	44	51	58	43	50	54
DISABILITY INCOME	29	36	37	21	37	43
TRAVEL/ACCIDENT	27	39	35	39	34	43
MEDICARE SUPPLEMENTAL	22	27	14	47	25	27
MORTGAGE OR CREDIT LIFE	22	21	29	17	17	17
OTHER	2	3	3	2	3	6
HOUSEHOLDS WITH NONE OF THE ABOVE	2%	+	1%	1%	1%	—

+Less than 1/2 of 1 percent
–No cases

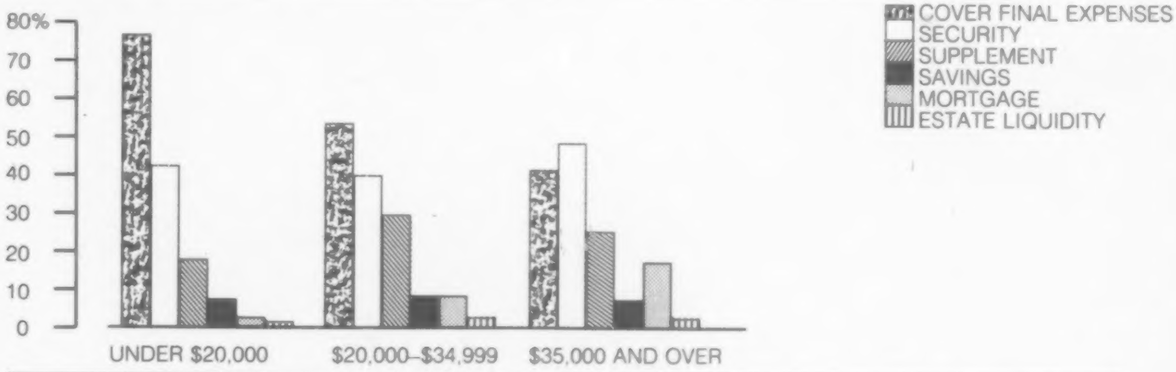
Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY POLICY SIZE



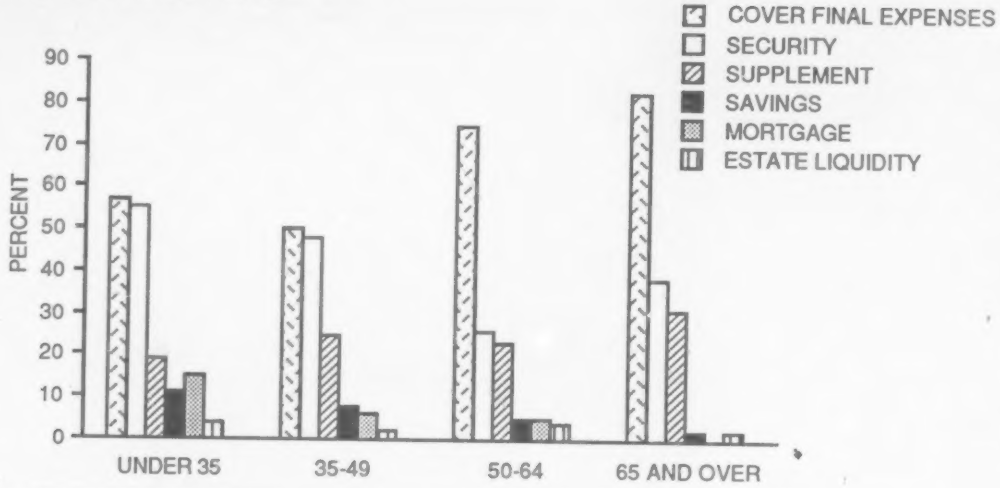
Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY HOUSEHOLD INCOME



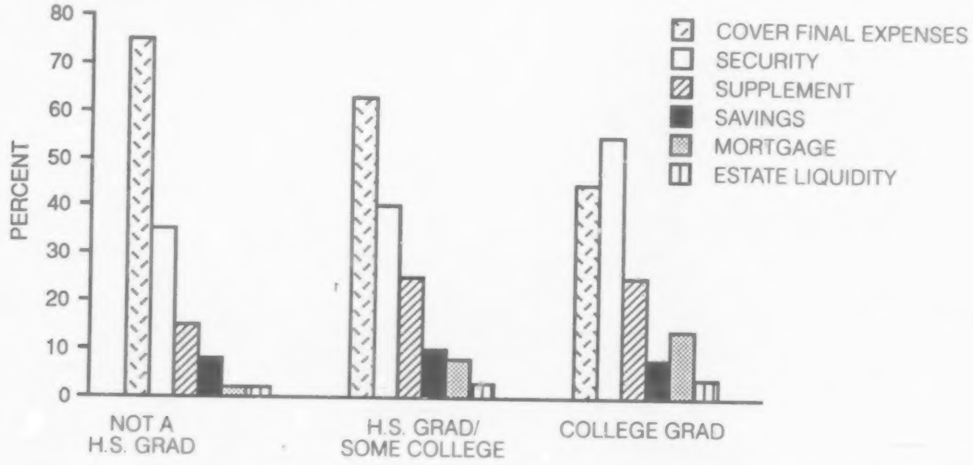
Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY AGE OF HOUSEHOLD HEAD



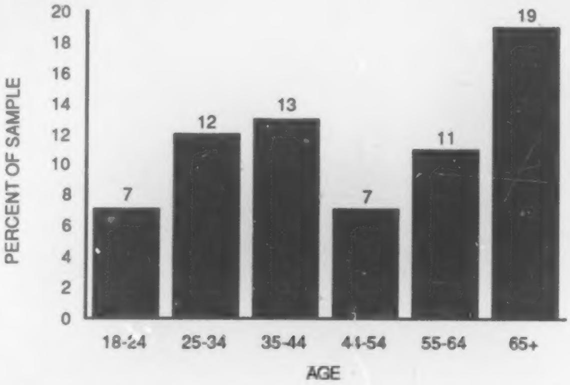
Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY EDUCATION OF HOUSEHOLD HEAD

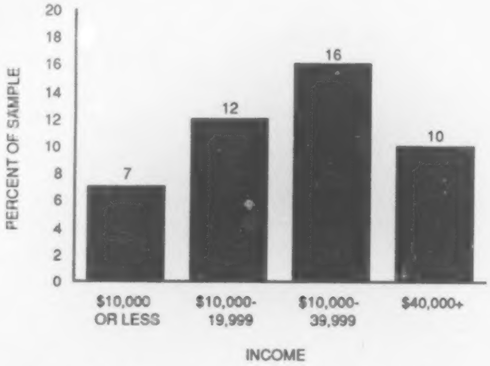


Source: Life Insurance Marketing Research Association, 1985

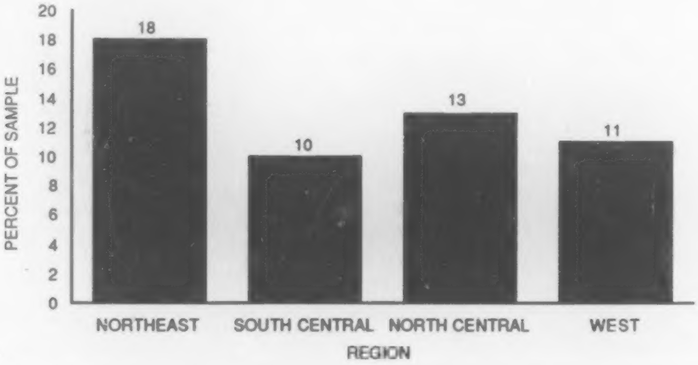
PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY AGE



PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY INCOME



PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY REGION



Source: SRI Research Center, Inc., January 1987

PERCENTAGE OF BANKS WHICH USED (OR DID NOT USE) MAIL ADVERTISING IN 1985.

(ALL REPORTING BANKS—1985)

	ASSET SIZE IN MILLIONS								
USE OF MAIL	UNDER $10	$10–$25	$25–$50	$50–$100	$100–$250	$250–$500	$500–$1 BILLION	$1 BILLION $5 BILLION	OVER 5 BILLION
DID NOT MAIL	72%	55%	47%	35%	14%	9%	5%	2%	—
MAILED 1–3	28	35	43	48	59	58	45	27	29
4–6	—	5	7	13	17	20	35	40	36
7–9	—	1	1	1	6	6	3	9	14
10 or more	—	4	2	3	4	7	12	22	21
TOTAL USING MAIL	28	45	53	65	86	91	95	98	100

In all asset categories, except banks under $25 million, a majority of respondents used direct mail in 1985.

Source: Bank Marketing Association, Analysis of 1985 Bank Marketing Expenditures, 1986

EXPECTED BANK USE OF DIRECT MAIL IN 1986

(ALL REPORTING BANKS—1985)

	ASSET SIZE IN MILLIONS								
USE OF MAIL	UNDER $10	$10–$25	$25–$50	$50–$100	$100–$250	$250–$500	$500–$1 BILLION	$1 BILLION $5 BILLION	OVER 5 BILLION
WILL NOT MAIL	68%	56%	37%	26%	9%	2%	2%	2%	—
WILL MAIL 1–3	27	26	42	43	42	40	27	15	7
4–6	5	12	15	22	32	37	37	32	29
7–9	—	2	2	4	8	6	16	19	21
10 or more	—	4	4	5	9	15	18	32	43
TOTAL WILL MAIL	32	44	63	74	91	98	98	98	100

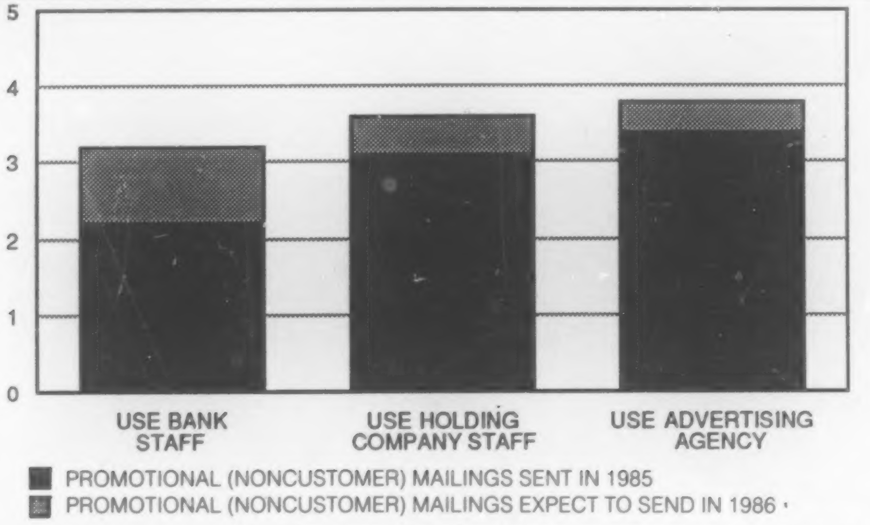
The percentage of banks planning to use direct mail will stay the same or increase in 1986 in all asset ranges, except among those banks under $25 million in assets.

Source: Bank Marketing Association, Analysis of 1985 Bank Marketing Expenditures, 1986

NUMBER OF BANK MAILINGS BY ADVERTISING SOURCE

(1985 Actual, 1986 Expected)

The number of mailings expected in 1986 increases in every asset range. While community banks expect to send .2 to 1.0 more mailings, the larger banks expect to send from 1.4 to 3.0 more mailings in 1986 than they sent in 1985.

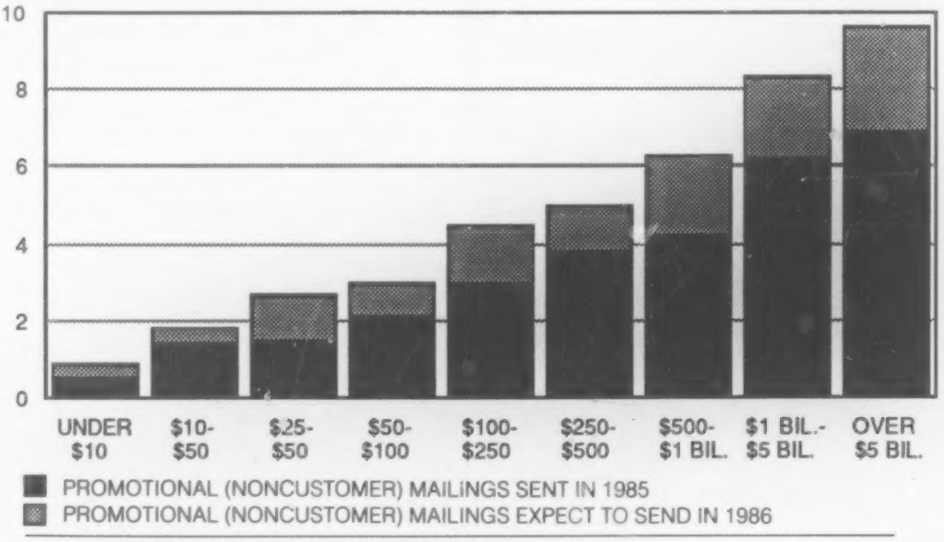


Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986

NUMBER OF BANK MAILINGS BY ASSET SIZE

(1985 Actual, 1986 Expected)

The average number of mailings sent in 1985 is directly correlated to the size of the bank, increasing from .6 in the very smallest banks to 6.7 in the largest banks (note that average is for all banks—both users and non-users).



Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986

BANK SERVICES PROMOTED BY DIRECT MAIL
(ALL REPORTING BANKS—1985)

	ASSET SIZE IN MILLIONS								
TYPE OF SERVICE	UNDER $10	$10–$25	$25–$50	$50–$100	$100–$250	$250–$500	$500–$1 BILLION	$1 BILLION–$5 BILLION	$5 BILLION OR MORE
CREDIT	**23%**	**28%**	**41%**	**50%**	**69%**	**85%**	**85%**	**89%**	**100%**
CREDIT CARD	2	5	11	16	31	48	44	56	87
INSTALLMENT	18	19	22	19	34	37	33	33	53
HOME EQUITY	5	10	8	16	26	39	51	55	53
OTHER LINE OF CREDIT	2	4	11	18	25	31	40	47	80
MORTGAGE	7	6	16	13	17	13	25	11	27
OTHER CREDIT SERVICES		2	4	7	7	7	4	4	13
DEPOSIT	**30**	**42**	**52**	**64**	**80**	**87**	**82**	**82**	**100**
CHECKING	16	26	26	27	26	17	25	16	20
MONEY MARKET	16	21	21	19	26	27	18	27	40
SHORT TERM CDS	7	10	13	8	12	21	11	11	40
LONG TERM CDS	5	9	11	8	13	19	9	16	27
IRA	25	35	47	58	70	78	78	80	93
OTHER DEPOSIT SERVICES	7	4	12	14	16	15	16	9	13
CORPORATE	**16**	**14**	**21**	**29**	**33**	**49**	**42**	**38**	**40**
DEPOSIT	11	9	11	13	11	14	16	15	7
LOANS	11	9	12	12	16	24	25	22	7
ANCILLARY			1	2	5	4	5	5	
INSTITUTIONAL		3	5	7	11	16	18	6	13
OTHER			5	6	5	9	7	7	13

Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986

HIGHLIGHTS OF BANK SERVICES PROMOTED BY MAIL

Credit Services: Use of direct mail for selling credit increases from only 23% in the smallest banks to 100% in the largest banks. In the community banks, credit related to real estate such as home equity loans is promoted by 5% to 55% of responding banks.

The larger institutions are more likely to sell credit cards (more than one-half of those banks over $1 billion promoted them by mail), followed by home equity loans and other types of lines of credit. Mortgage lending is promoted at 6% to 27% of banks using direct mail.

Deposit Services: The likelihood of promoting deposit services by mail increases with the size of the bank, with about one-half of community banks and nearly all of the larger banks selling them.

Within deposit services, the product sold most frequently among community banks is individual Retirement Accounts (from 25% of the smallest to 70% to 78% of the larger community banks). Among the largest banks, 78% to 93% sell IRAs by mail.

Other deposit services sold frequently by mail are certificates of deposit (both short and long term). Slightly more banks reported selling short term certificates (7% to 40%), than longer term certificates (5% to 27%).

Many institutions also reported selling money market accounts by mail. Again, larger institutions were somewhat more likely to promote MMAs than community banks. The community banks, however, were somewhat more likely to promote checking accounts (16% to 27%) than larger banks.

Corporate Services: As expected, larger banks are more likely to use mail to promote their various corporate services. These services were sold by mail at 14% to 33% of community banks, and at 38% to 49% of the larger institutions.

Loans are promoted most often (7% to 25% of all banks), followed by institutional advertising (3% to 18%) and deposit services (7% to 16%). Ancillary corporate services are sold by 1% to 5% of banks which use mail advertising.

Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986

CREDIT CARD OWNERSHIP

	1983	1984	1985	1986
HAVE CREDIT CARDS	82%	81%	79%	79%
RETAIL CARDS	71%	69%	68%	68%
SEARS	53	50	49	51
JCPENNEY	37	35	34	35
MONTGOMERY WARD	21	23	20	17
OTHER RETAIL CARDS	45	41	41	39
BANK CARDS	58%	57%	56%	57%
VISA	45	43	43	45
VISA (REGULAR)	43	40	37	40
VISA PREMIUM	3	5	9	7
MASTERCARD	36	35	34	34
MASTERCARD (REGULAR)	35	33	30	31
GOLD MASTERCARD	1	3	5	5
GASOLINE CREDIT CARDS	40%	35%	34%	35%
TELEPHONE CREDIT CARDS	24%	26%	26%	25%
THIRD PARTY CARDS	13%	13%	12%	14%
AMERICAN EXPRESS	11	11	12	13
AMERICAN EXPRESS GREEN	9	9	9	10
AMERICAN EXPRESS GOLD	3	3	3	3
AMERICAN EXPRESS PLATINUM	NA	NA	NA	1
DINER'S CLUB	2	2	2	2
CARTE BLANCHE	1	1	0	1
DISCOVER	NA	NA	NA	3
AIRLINE CREDIT CARDS	4%	3%	3%	3%
CAR RENTAL CREDIT CARDS	3%	3%	3%	3%
DO NOT HAVE CREDIT CARDS	18%	19%	21%	21%

NA = Not asked

Source: Money Magazine, Americans and Their Money, 1986

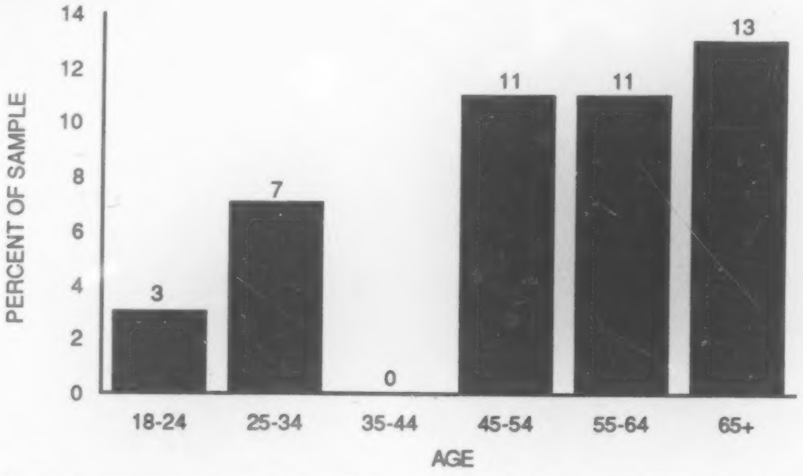
CHARGE ON CREDIT CARDS IN THE PAST 12 MONTHS

	1983	1984	1985	1986
CHARGED ON CREDIT CARDS IN PAST 12 MONTHS	74%	73%	72%	78%
UNDER $1,000	41	38	36	35
UNDER $500	23	22	21	22
$500–$999	18	16	15	13
$1,000–$2,999	21	23	23	24
$1,000–$1,999	13	15	15	15
$2,000–$2,999	8	8	8	9
$3,000 AND OVER	12	12	13	19
$3,000–$4,999	5	5	6	8
$5,000–$9,999	6	5	5	7
$10,000 AND OVER	1	2	2	4
HAVE NOT CHARGED ON CREDIT CARDS IN PAST 12 MONTHS	26	27	28	22
AVERAGE AMOUNT CHARGED IN PAST 12 MONTHS—TOTAL POPULATION	$1,600	$1,600	$1,700	$2,300
AVERAGE AMOUNT CHARGED IN PAST 12 MONTHS—AMONG THOSE WHO HAVE USED CREDIT CARDS	$1,800	$1,700	$1,900	$2,500

Source: Money Magazine, Americans and Their Money, 1986

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR CREDIT CARDS

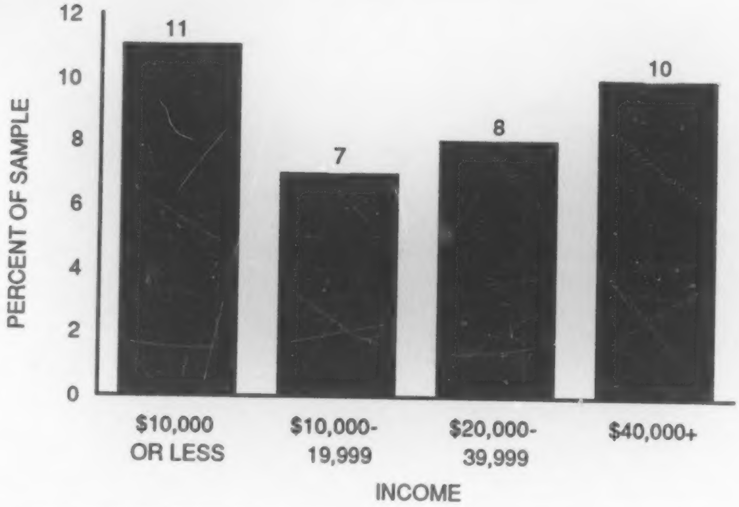
BY AGE



Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR CREDIT CARDS

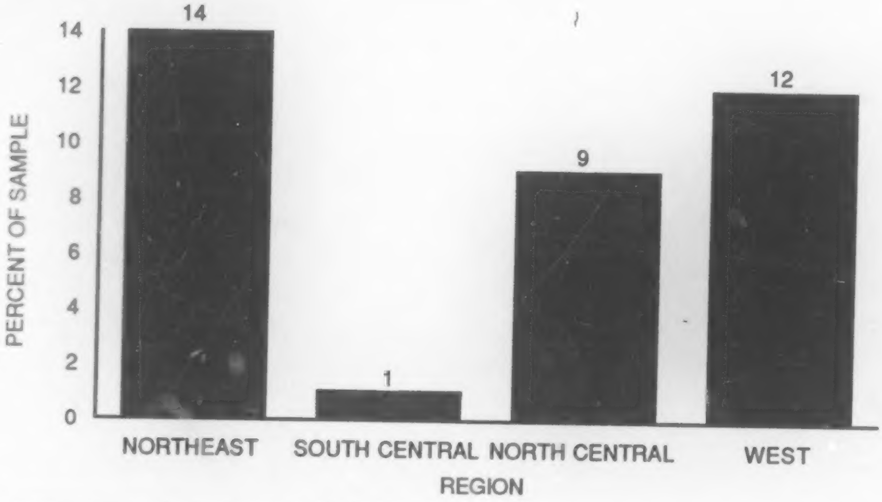
BY INCOME



Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR CREDIT CARDS

BY REGION



Source: SRI Research Center, Inc., January 1987

1986 NO-LOAD MUTUAL FUND NET SALES BY QUARTER

"Load" is the mutual fund industry's term for sales charge or commission. Load funds charge a commission of up to 8.5 percent for brokers or sales people. With no-load funds, there is no need for brokers or sales people; transactions are completed directly—usually via a *single toll free call.*

	($ MIL.)
1ST QUARTER	$11,400.0
2ND QUARTER	7,400.0
3RD QUARTER	9,900.0
4TH QUARTER	18,300.0
Total	$47,000.0

Source: No-Load Mutual Fund Association, Inc. 1987

NO-LOAD MUTUAL FUND SALES AS A PERCENTAGE OF TOTAL MUTUAL FUND SALES

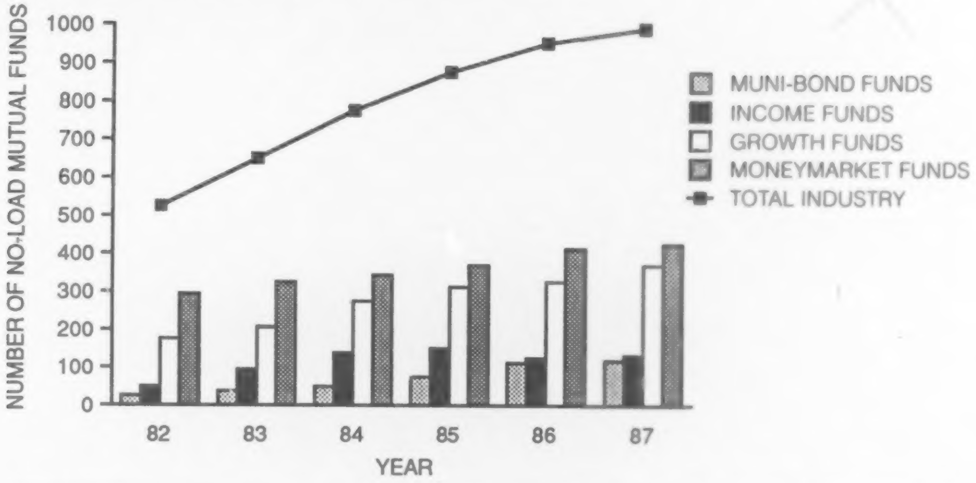
1982–1986

YEAR	TOTAL FUND GROSS SALES ($ MIL.)	TOTAL NO-LOAD GROSS SALES ($ MIL.)	NO-LOAD GROSS SALES AS A PERCENT OF TOTAL FUND SALES
1982	$17,848.7	$ 7,498.4	$42.0%
1983	50,112.2	24,707.9	49.3%
1984	49,945.9	20,077.1	40.2%
1985	116,542.8	45,819.6	39.3%
1986	217,382.4	81,698.0	37.6%

Source: No-Load Mutual Fund Association, Inc. 1987

NUMBER OF NO-LOAD MUTUAL FUNDS

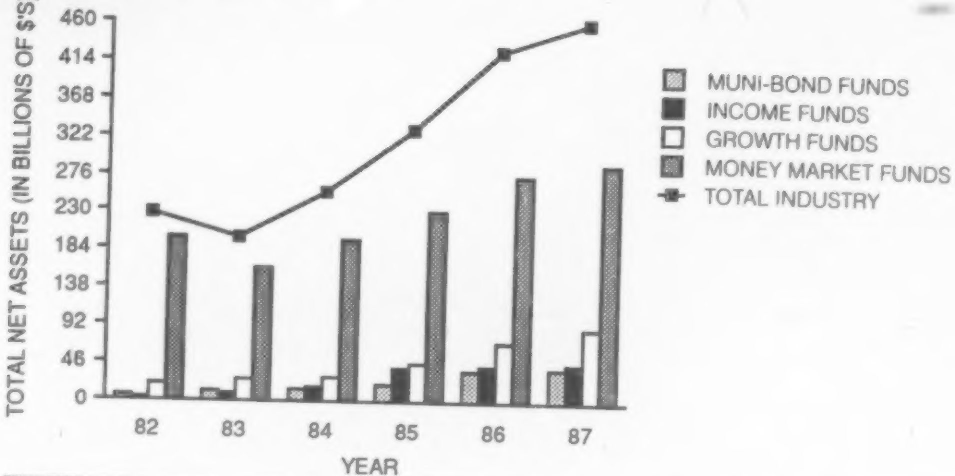
DECEMBER 31, 1982–MARCH 31, 1987



Source: © No-Load Mutual Fund Association, Inc., 1987

NO-LOAD MUTUAL FUND TOTAL NET ASSETS

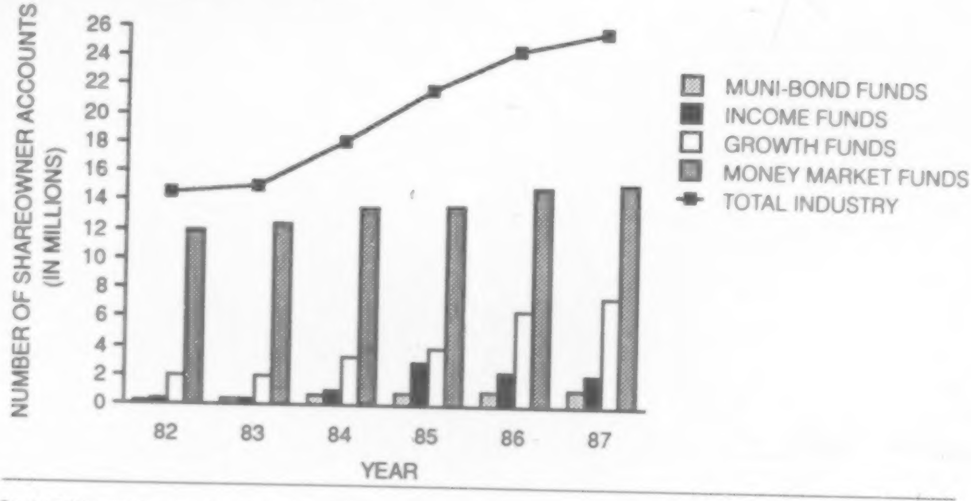
DECEMBER 31, 1982–MARCH 31, 1987



Source: © No-Load Mutual Fund Association, Inc., 1987

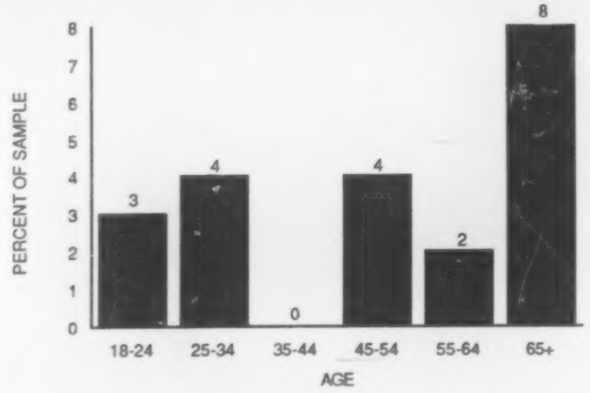
NO-LOAD MUTUAL FUND NUMBER OF SHAREOWNER ACCOUNTS

DECEMBER 31, 1982–MARCH 31, 1987

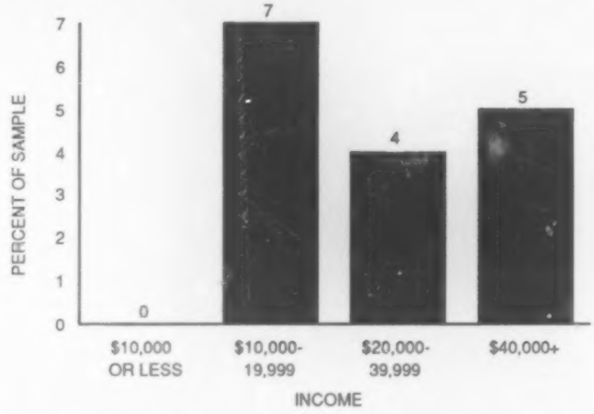


Source: © No-Load Mutual Fund Association, Inc., 1987

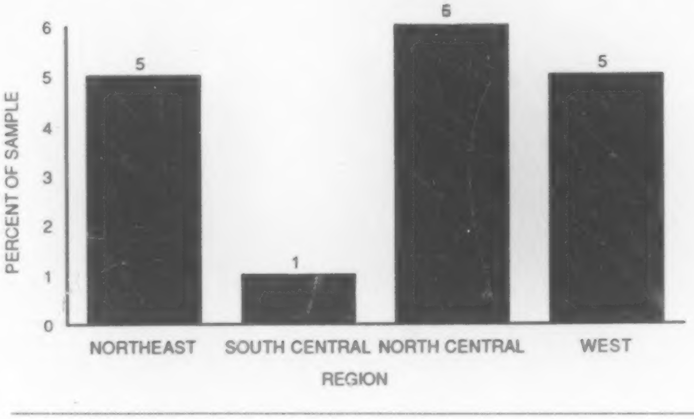
PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR IRA'S
BY AGE



PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR IRA'S
BY INCOME



PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR IRA'S
BY REGION



Source: SRI Research Center, Inc., January 1987

PERCENT OF PERIODICAL PUBLISHERS BY NUMBER OF TITLES PUBLISHED

The majority of the respondents publish more than one title with almost 90% of those titles having a circulation of 500,000 or less. Among those who publish only one title, note the more than 40% difference in the 1986 percentage of publications with circulations under 500,000, as compared with 1984.

	1984	1986
ONE TITLE	27%	36%
CIRCULATION OVER 500,000	48%	5%
CIRCULATION UNDER 500,000	53%	95%
MORE THAN ONE TITLE	72%	64%
ALL CIRCULATIONS OVER 500,000	10%	4%
ALL CIRCULATIONS UNDER 500,000	68%	86%
SOME CIRCULATIONS UNDER AND SOME CIRCULATIONS OVER 500,000	22%	10%

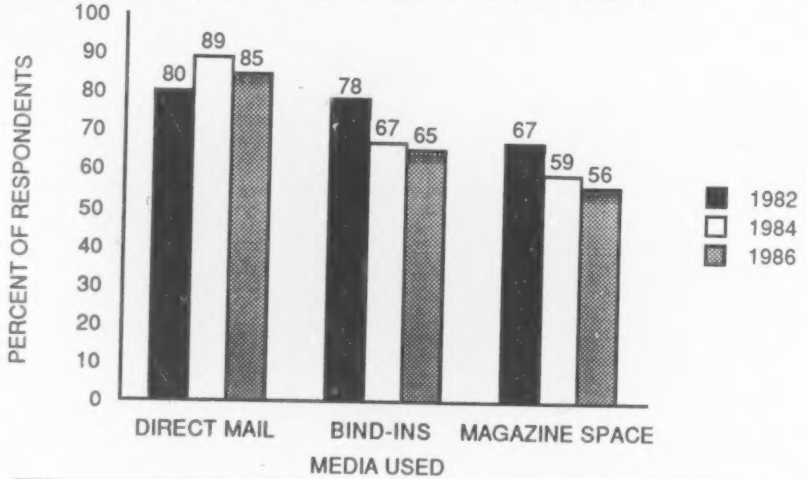
Source: DMA Research Department, Circulation Council, June 1987

FUTURE PLANS FOR PERIODICAL PUBLISHERS

FUTURE PLANS	1982	1984	1986
INCREASE THE NUMBER OF TITLES	36%	38%	34%
DECREASE THE NUMBER OF TITLES	–	3%	1%
NO CHANGE	63%	56%	67%
NO ANSWER	1%	3%	1%

Source: DMA Research Department, Circulation Council, June 1987

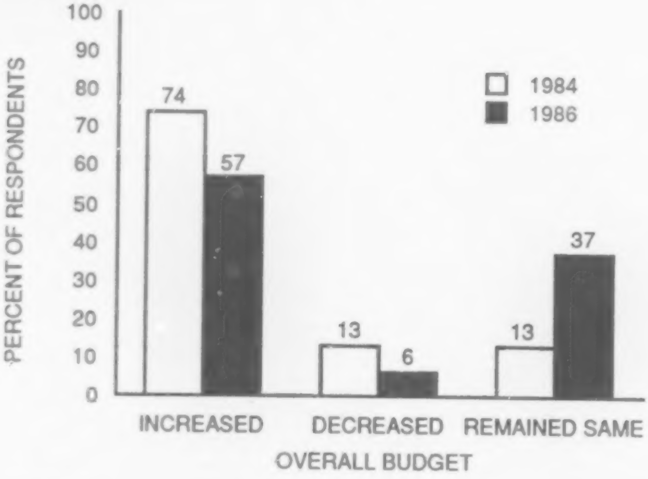
TYPES OF MEDIA USED FOR CIRCULATION PROMOTION



Source: DMA Research Department, Circulation Council, June 1987

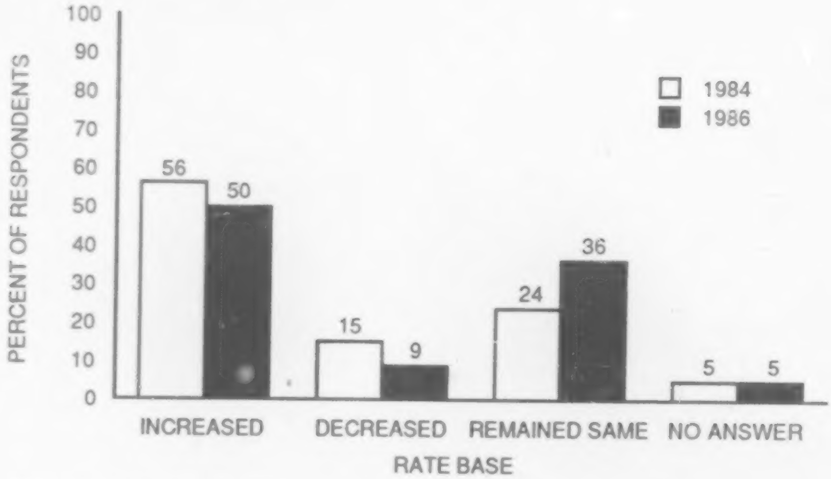
Figure 38A

BUDGETARY CONSIDERATIONS FOR CIRCULATION PROMOTION



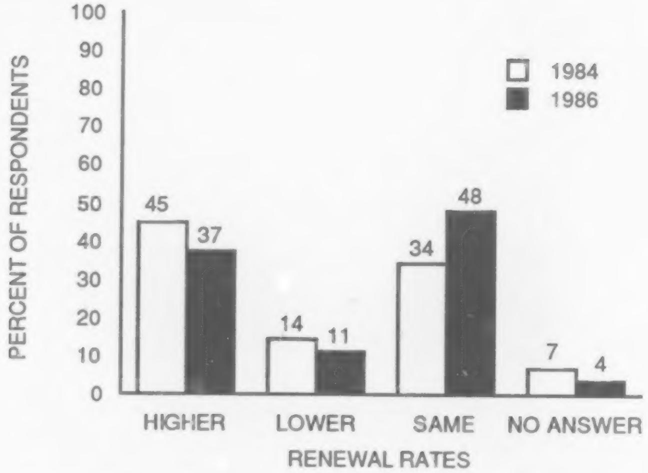
Source: DMA Research Department, Circulation Council, June 1987

STATUS OF CIRCULATION RATE BASE



Source: DMA Research Department, Circulation Council, June 1987

STATUS OF DIRECT RENEWAL RATES COMPARED TO PREVIOUS YEAR



Source: DMA Research Department, Circulatoin Council, June 1987

NEW BUSINESS PROMOTION SOURCES USED

This section concentrates on the important issue of new business sources used for soliciting new publication subscriptions.

DIRECT MAIL

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	80%	89%	85%
FIRST TIME	1%	2%	8%
VOLUME			
MORE	63%	57%	50%
LESS	6%	10%	13%
SAME	29%	30%	34%
NO ANSWER	1%	3%	3%
RESPONSE			
BETTER	38%	31%	45%
WORSE	24%	36%	22%
SAME	39%	30%	30%
NO ANSWER	2%	3%	4%

Source: DMA Research Department, Circulation Council, June 1987

BLOW-INS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	47%	51%	38%
FIRST TIME	3%	10%	5%
VOLUME			
MORE	28%	34%	34%
LESS	4%	9%	11%
SAME	60%	53%	52%
NO ANSWER	4%	4%	4%
RESPONSE			
BETTER	43%	21%	37%
WORSE	17%	26%	12%
SAME	32%	49%	49%
NO ANSWER	4%	4%	3%

BIND-INS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	78%	67%	65%
FIRST TIME	5%	4%	4%
VOLUME			
MORE	37%	32%	28%
LESS	10%	7%	6%
SAME	49%	57%	63%
NO ANSWER	5%	3%	3%
RESPONSE			
BETTER	38%	25%	35%
WORSE	16%	19%	9%
SAME	37%	50%	52%
NO ANSWER	6%	6%	3%

MAGAZINE SPACE

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	67%	59%	56%
FIRST TIME	6%	5%	6%
VOLUME			
MORE	20%	22%	29%
LESS	20%	19%	13%
SAME	52%	52%	54%
NO ANSWER	6%	7%	4%
RESPONSE			
BETTER	15%	21%	24%
WORSE	6%	19%	14%
SAME	56%	52%	57%
NO ANSWER	7%	9%	5%

GIFTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	61%	51%	34%
FIRST TIME	—	4%	5%
VOLUME			
MORE	51%	52%	46%
LESS	6%	13%	6%
SAME	33%	31%	45%
NO ANSWER	2%	4%	3%
RESPONSE			
BETTER	59%	46%	37%
WORSE	10%	15%	15%
SAME	24%	35%	46%
NO ANSWER	6%	4%	2%

Source: DMA Research Department, Circulation Council, June 1987

CATALOG AGENTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	59%	51%	31%
FIRST TIME	—	6%	2%
VOLUME			
MORE	17%	8%	8%
LESS	10%	10%	5%
SAME	65%	80%	86%
NO ANSWER	8%	2%	1%
RESPONSE			
BETTER	19%	6%	10%
WORSE	8%	14%	8%
SAME	54%	72%	80%
NO ANSWER	19%	8%	2%

TELEPHONE—OUTBOUND

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	43%	46%	29%
FIRST TIME	16%	23%	32%
VOLUME			
MORE	30%	61%	52%
LESS	12%	6%	9%
SAME	30%	28%	32%
NO ANSWER	2%	5%	7%
RESPONSE			
BETTER	30%	44%	41%
WORSE	14%	14%	18%
SAME	30%	36%	34%
NO ANSWER	23%	5%	7%

SCHOLASTIC PLANS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	35%	32%	23%
FIRST TIME	7%	3%	8%
VOLUME			
MORE	17%	19%	21%
LESS	—	19%	10%
SAME	71%	59%	67%
NO ANSWER	7%	3%	2%
RESPONSE			
BETTER	21%	16%	33%
WORSE	11%	16%	16%
SAME	50%	59%	50%
NO ANSWER	18%	9%	2%

DIRECT MAIL AGENTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	57%	46%	22%
FIRST TIME	—	2%	3%
VOLUME			
MORE	50%	28%	19%
LESS	11%	11%	22%
SAME	37%	55%	58%
NO ANSWER	4%	4%	2%
RESPONSE			
BETTER	54%	26%	29%
WORSE	4%	15%	15%
SAME	28%	45%	53%
NO ANSWER	13%	13%	3%

Source DMA Research Department, Circulation Council, June 1987

CO-OP MAILINGS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	27%	19%	15%
FIRST TIME	23%	35%	24%
VOLUME			
MORE	36%	38%	53%
LESS	5%	15%	16%
SAME	32%	46%	28%
NO ANSWER	5%	—	3%
RESPONSE			
BETTER	27%	31%	34%
WORSE	—	23%	22%
SAME	41%	46%	41%
NO ANSWER	9%	—	3%

CASH FIELD ACCOUNTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	25%	18%	11%
FIRST TIME	5%	—	7%
VOLUME			
MORE	15%	26%	11%
LESS	10%	26%	14%
SAME	65%	42%	71%
NO ANSWER	5%	5%	4%
RESPONSE			
BETTER	15%	21%	11%
WORSE	20%	21%	4%
SAME	55%	47%	82%
NO ANSWER	10%	11%	4%

RADIO

	1982	1984*	1986
N =	(81)	(103)	(279)
USAGE	6%	8%	10%
FIRST TIME	—	63%	25%
VOLUME			
MORE	3%	—	33%
LESS	1%	—	19%
SAME	1%	67%	48%
NO ANSWER	1%	33%	—
RESPONSE			
BETTER	1%	—	24%
WORSE	2%	33%	14%
SAME	1%	33%	57%
NO ANSWER	2%	33%	5%

*Base very small (3)

NEWSPAPER INSERTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	17%	16%	9%
FIRST TIME	21%	31%	25%
VOLUME			
MORE	29%	36%	56%
LESS	21%	27%	—
SAME	29%	27%	39%
NO ANSWER	—	9%	6%
RESPONSE			
BETTER	—	27%	44%
WORSE	36%	18%	17%
SAME	36%	45%	28%
NO ANSWER	7%	9%	11%

Source: DMA Research Department, Circulation Council, June 1987

NEWSPAPER SPACE

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	—	15%	9%
FIRST TIME	—	7%	13%
VOLUME			
MORE	—	21%	38%
LESS	—	36%	10%
SAME	—	29%	43%
NO ANSWER	—	14%	10%
RESPONSE			
BETTER	—	14%	19%
WORSE	—	21%	29%
SAME	—	50%	43%
NO ANSWER	—	14%	10%

CABLE TV

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	—	19%	7%
FIRST TIME	—	25%	30%
VOLUME			
MORE	—	33%	50%
LESS	—	7%	21%
SAME	—	33%	21%
NO ANSWER	—	27%	7%
RESPONSE			
BETTER	—	33%	43%
WORSE	—	—	43%
SAME	—	47%	14%
NO ANSWER	—	20%	—

TV—NETWORK/LOCAL

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	22%	17%	7%
FIRST TIME	11%	6%	32%
VOLUME			
MORE	44%	29%	46%
LESS	22%	29%	38%
SAME	22%	29%	15%
NO ANSWER	—	12%	—
RESPONSE			
BETTER	28%	24%	31%
WORSE	39%	24%	46%
SAME	17%	41%	23%
NO ANSWER	5%	12%	—

PAID DURING SERVICE (PDS) AGENTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	15%	12%	6%
FIRST TIME	6%	8%	11%
VOLUME			
MORE	1%	18%	19%
LESS	1%	27%	19%
SAME	6%	36%	56%
NO ANSWER	1%	18%	6%
RESPONSE			
BETTER	3%	9%	13%
WORSE	2%	27%	6%
SAME	5%	45%	81%
NO ANSWER	2%	18%	—

Source: DMA Research Department, Circulation Council, June 1987

SUBSCRIPTIONS SOLD BY CHANNEL OF DISTRIBUTION PERCENT OF TOTAL: 1981A–1986B

	1981A	1981B	1982A	1982B	1983A	1983B	1984A	1984B	1985A	1985B	1986A	1986B
MAIL/DIRECT REQUEST	72.58%	67.79%	72.34%	67.30%	71.83%	69.34%	75.02%	70.14%	74.69%	68.56%	69.79%	68.88%
CATABLOG AGENCIES	1.39%	2.15%	1.48%	2.12%	1.24%	1.69%	1.11%	1.89%	1.19%	1.71%	1.22%	1.65%
PUBLISHER'S OWN	1.78%	1.56%	1.72%	1.43%	1.57%	1.45%	1.36%	1.13%	1.01%	0.73%	0.72%	0.82%
INDEPENDENTS	3.36%	2.96%	3.19%	2.66%	2.70%	2.85%	2.99%	2.80%	3.04%	2.72%	3.19%	2.76%
NEWSPAPER AGENCIES	0.04%	0.05%	0.03%	0.03%	0.01%	0.02%	0.01%	0.01%	0.01%	0.02%	0.03%	0.02%
SCHOOL, CHURCHES, ETC.	2.92%	5.40%	2.68%	5.03%	2.37%	4.81%	2.03%	4.15%	2.07%	3.94%	1.90%	4.01%
ASSOCIATION MEMBERSHIPS	16.63%	16.21%	17.15%	17.94%	18.92%	16.44%	16.49%	16.93%	17.01%	19.44%	22.04%	19.05%
ALL OTHER CHANNELS	1.29%	3.87%	1.42%	3.48%	1.36%	3.41%	0.99%	2.95%	0.98%	2.89%	1.11%	2.80%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A = January–June
B = July–December

Source: Hotline, David Foster & Associates, Inc. 1987

NUMBER OF SUBSCRIPTIONS SOLD BY CHANNEL OF DISTRIBUTION: 1981A–1986B

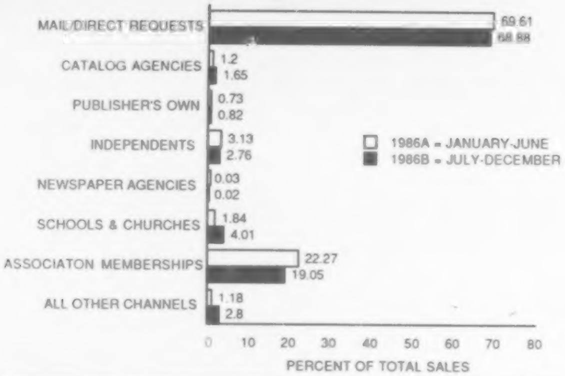
(CIRCULATION IN 000'S)

	1981A	1981B	1982A	1982B	1983A	1983B	1984A	1984B	1985A	1985B	1986A	1986B
MAIL/DIRECT REQUEST	67,557	72,572	70,966	79,031	80,161	82,382	91,523	90,655	95,112	94,151	88,606	94,532
CATABLOG AGENCIES	1,295	2,304	1,448	2,494	1,386	2,005	1,360	2,438	1,512	2,344	1,543	2,264
PUBLISHER'S OWN	1,655	1,665	1,685	1,680	1,755	1,718	1,654	1,455	1,290	998	917	1,128
INDEPENDENTS	3,128	3,173	3,130	3,120	3,016	3,388	3,645	3,619	3,874	3,737	4,054	3,792
NEWSPAPER AGENCIES	38	55	26	36	14	27	13	19	14	23	41	21
SCHOOL, CHURCHES, ETC	2,722	5,784	2,625	5,912	2,641	5,713	2,475	5,366	2,630	5,409	2,412	5,508
ASSOCIATION MEMBERSHIPS	15,483	17,358	16,820	21,072	21,119	19,527	20,112	21,882	21,656	26,700	27,984	26,152
ALL OTHER CHANNELS	1,202	4,147	1,397	4,084	1,513	4,050	1,212	3,816	1,247	3,965	1,410	3,845
TOTAL	93,080	107,058	98,097	117,429	111,605	118,810	121,994	129,250	127,335	137,327	126,967	137,242

A = January–June
B = July–December

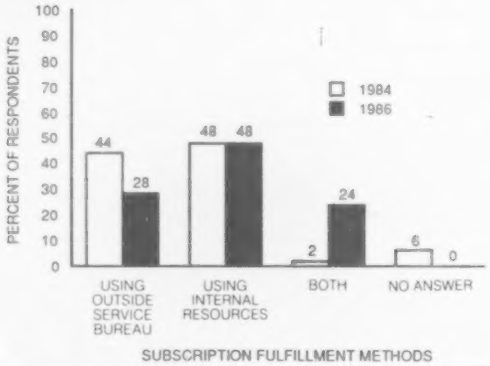
Source: Hotline, David Foster & Associates, Inc. 1987

1986 SUBSCRIPTIONS SOLD BY CHANNEL OF DISTRIBUTION



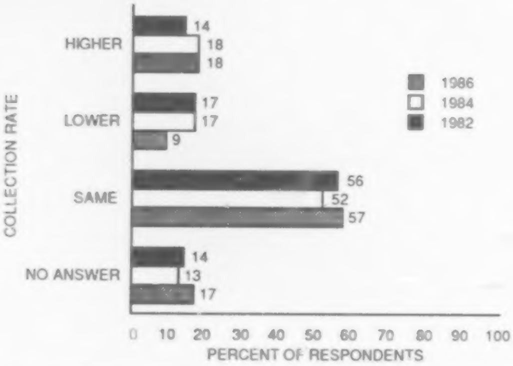
Source: Hotline, David Foster & Associates, Inc. 1987

METHOD OF PERFORMING SUBSCRIPTION FULFILLMENT FUNCTIONS



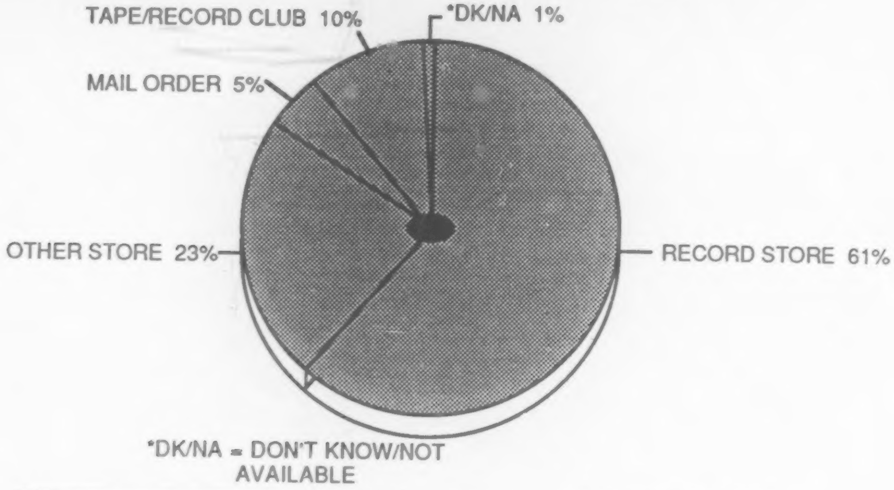
Source: DMA Research Department, Circulation Council, June 1987

STATUS OF COLLECTION RATE ON CREDIT ORDERS COMPARED WITH PREVIOUS YEAR



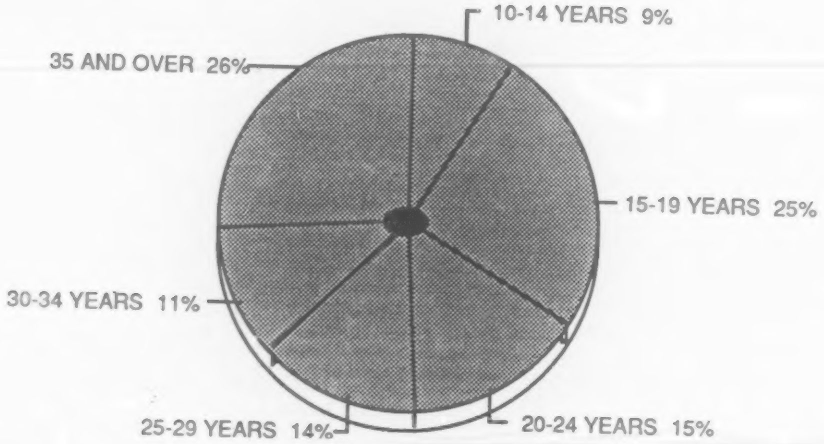
Source: DMA Research Department, Circulation Council, June 1987

TYPE OF OUTLET FROM WHICH RECORDS AND PRERECORDED TAPES WERE PURCHASED BASED ON DOLLAR VOLUME 1985



Source: Recording Industry Association of America, "Inside the Recording Industry: A Statistical Overview—1986 Update."

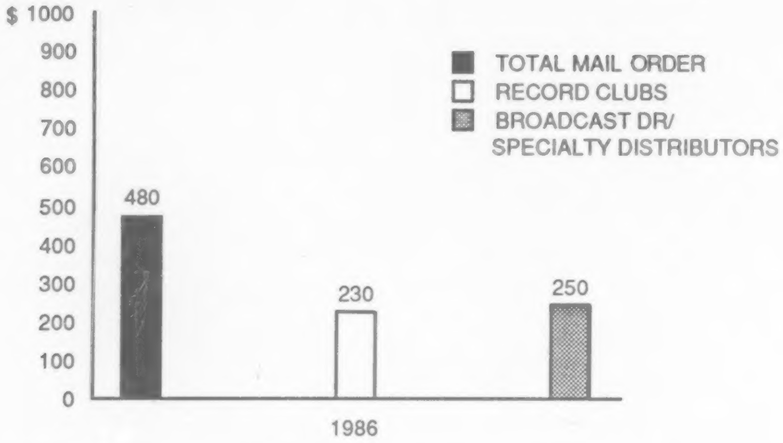
TOTAL RECORDS AND PRERECORDED TAPES PURCHASED BY AGE BASED ON DOLLAR VOLUME 1985



Source: Recording Industry Association of America, "Inside the Recording Industry: A Statistical Overview—1986 Update."

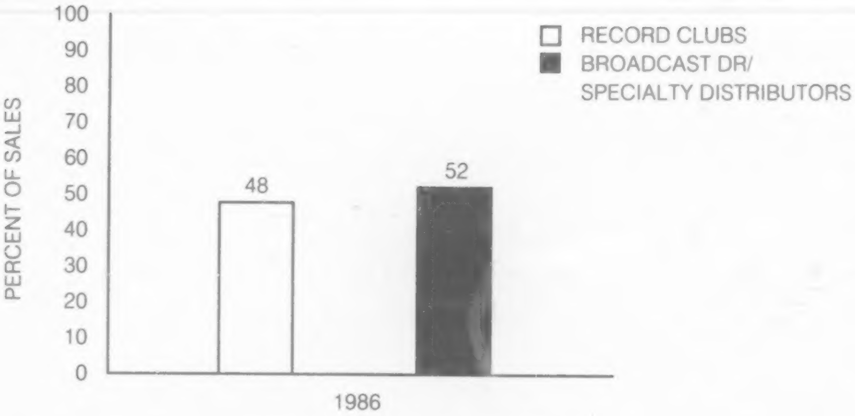
1986 MAIL ORDER RECORD MARKET SALES BY TOTALS AND SUB-SEGMENT

(IN MILLION $)



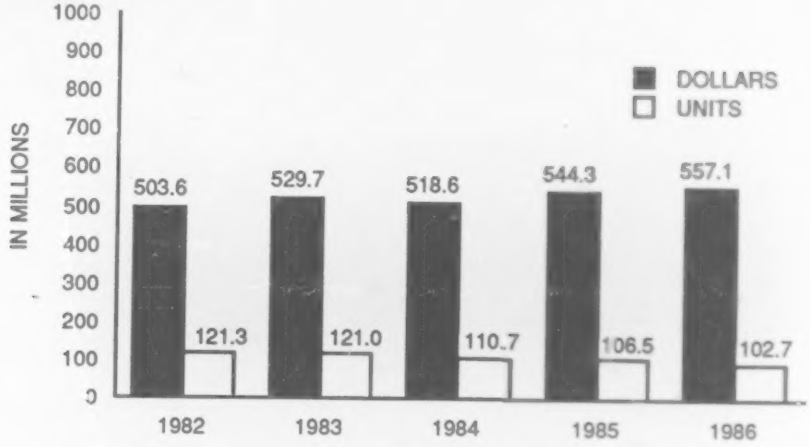
Source: Arnold Fishman, Marketing Logistics, 1986

1986 PERCENT OF MAIL ORDER RECORD MARKET SALES



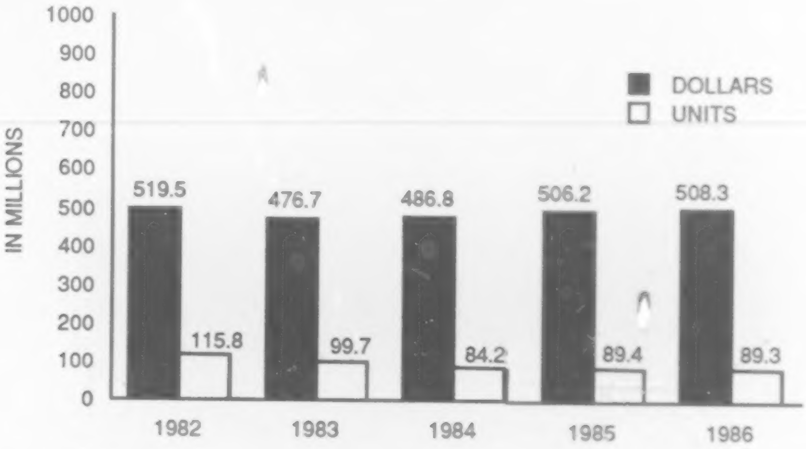
Source: Arnold Fishman, Marketing Logistics, 1986

BOOK CLUB SALES 1982–1986
IN DOLLARS AND UNITS



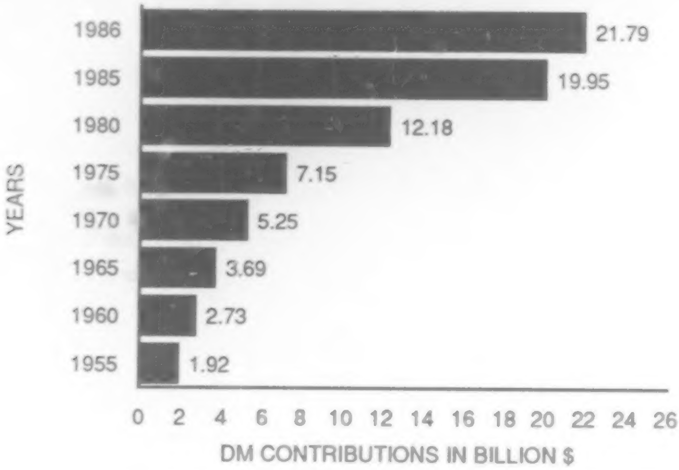
Source: Book Industry Study Group, "Book Industry Trends," 1987

MAIL ORDER PUBLICATION SALES 1982–1986
IN DOLLARS AND UNITS



Source: Book Industry Study Group, "Book Industry Trends," 1987

GROWTH OF DIRECT MAIL PHILANTHROPY
1955–1986 (IN BILLION $)



Source: American Association of Fund Raising Counsel, Inc., 1987

ESTIMATED DIRECT MAIL
CHARITABLE CONTRIBUTIONS
1983–1986

	(IN BILLION $)				% GROWTH RATE OF CONTRIBUTIONS
	1983	1984	1985	1986	FROM 1983 TO 1986
RELIGION	$ 7.75	$ 8.89	$ 9.43	$10.22	31.9%
EDUCATION	2.26	2.52	2.76	3.18	40.7
HEALTH & HOSPITALS	2.29	2.61	2.81	3.06	33.6
SOCIAL SERVICES	1.73	2.00	2.14	2.28	31.8
ARTS & HUMANITIES	1.02	1.16	1.27	1.46	43.1
CIVIC & PUBLIC	.45	.52	.56	.59	31.1
OTHER	.72	.86	.98	1.00	38.9
TOTAL	16.22	18.56	19.95	21.79	34.3%

Direct mail charitable contributions are estimated at 24.99% of total charitable contributions.

Source: American Association of Fund Raising Counsel, Inc. "Giving USA—1987 Annual Report."

SUCCESS OF LISTS FOR ACQUIRING NEW DONORS
(AMONG ARTS ORGANIZATIONS)

	UNSUCCESSFUL 1	2	3	4	VERY SUCCESSFUL 5
IN-HOUSE PROSPECT LIST	1%	6%	25%	31%	38%
EXCHANGED DONOR LIST FROM AN ART ORGANIZATION					
SAME GENRE	8%	13%	30%	37%	11%
DIFFERENT GENRE	15%	29%	39%	13%	3%
EXCHANGED PROSPECT LIST FROM AN ART ORGANIZATION					
SAME GENRE	13%	27%	32%	26%	2%
DIFFERENT GENRE	24%	35%	30%	9%	2%
RENTED LISTS					
MAGAZINE SUBSCRIBERS	50%	15%	31%	2%	2%
CREDIT CARD OWNER	61%	21%	15%	3%	0%
COMPILED LIST BY COMMON INTEREST	30%	34%	19%	13%	4%
MAIL ORDER BUYERS	41%	39%	15%	5%	0%

Source: DMA Research Department, 1985

OFFERS INCLUDED IN A "TYPICAL" DIRECT MAIL ACQUISITION CAMPAIGN TO ELICIT DONATIONS

LISTING AS DONOR IN PLAYBILL OR ANNUAL REPORT	75%
INVITATIONS TO PARTIES	72%
PUBLICATIONS	68%
EARLY ACCESS TO TICKETS	43%
INVITATIONS TO OPEN REHEARSALS	40%
PREMIUMS*	39%
PRIORITY SEATING	37%
INVITATIONS TO LECTURES	36%
REDUCED TICKET PRICE/ENTRANCE FEE	33%
FREE TICKETS	32%
DISCOUNT ON PRODUCTS	29%
PRIORITY SUBSCRIPTION	18%
DISCOUNT ON SERVICES	16%
OTHER**	11%

*Premiums mentioned include posters, mugs, albums, tote bags, pens and books.

**Other offers included priority/free parking and free drinks at bar.

Source: DMA Research Department, 1985

MOST EFFECTIVE ADVERTISING MEDIA AS RATED BY COLLEGE/UNIVERSITY PRESIDENTS AND ADVERTISING PERSONNEL

TYPE OF MEDIA	PRESIDENTS	ADVERTISING PERSONNEL
DIRECT MAIL	1	1
NEWSPAPERS	2	2
RADIO	3	3
TELEVISION	4	4
MAGAZINES	5	5
OUTDOOR	6	6
TRANSIT	7	7

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, "Direct Mail Marketing in Higher Education," Vol. 1, No. 2, Spring 1987

PERCENTAGE OF COLLEGE AND UNIVERSITY ADVERTISING BUDGETS SPENT ON VARIOUS MEDIA

TYPE OF MEDIA	LARGE UNIVERSITIES	MEDIUM-SIZED UNIVERSITIES	SMALL COLLEGES
DIRECT MAIL	24.7%	24.1%	32.1%
MAGAZINES	3.8	5.2	20.5
NEWSPAPERS	41.6	34.9	39.0
OUTDOOR	4.6	4.5	1.4
RADIO	35.6	14.6	11.4
TELEVISION	7.2	16.7	4.7
TRANSIT	0.7	0.2	1.1

*These columns do not total 100% because the cells indicate mean or average responses across all respondents. For instance, on average, the large institutions spent 24.7% of their total advertising budget on direct mail.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, "Direct Mail Marketing in Higher Education," Vol. 1, No. 2, Spring 1987

FEATURES EMPHASIZED IN ADVERTISING BY COLLEGES AND UNIVERSITIES

FEATURE	LARGE UNIVERSITIES	MEDIUM-SIZED UNIVERSITIES	SMALL COLLEGES
ACADEMIC REPUTATION*	90.9%	90.9%	78.7%
COURSE OFFERINGS	59.1	68.2	44.3
FACULTY REPUTATION	40.9	77.3	45.5
FACULTY/STUDENT RELATIONSHIPS	31.8	72.7	79.3
LOW COSTS	36.4	45.5	28.1
FRIENDLY	72.7	77.3	76.9
SMALL CLASSES	27.3	68.2	75.2
RELIGIOUS ORIENTATION	9.1	13.6	43.0
SAFE CAMPUS	18.2	4.5	14.9

*Read: 90.9% of the universities with a student body of 10,000 or more undergraduates emphasize their academic reputation as a key selling point or benefit in their direct mail literature to prospective students.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, "Direct Mail Marketing in Higher Education," Vol. 1, No. 2, Spring 1987

ADVERTISING MEDIA PREFERRED BY HOSPITALS

	NUMBER OF HOSPITALS	RESPONSE PER CENT
RANKED NEWSPAPERS FIRST	61	62.9
RANKED DIRECT MAIL FIRST	19	19.6
RANKED TELEVISION/RADIO FIRST	10	10.3
RANKED MAGAZINES FIRST	3	3.0
RANKED BROCHURES FIRST	3	3.0
RANKED BILLBOARDS FIRST	0	0.0
NO RESPONSE	1	1.0
TOTAL	97	99.8*

*Rounding.

These statistics are drawn from a study conducted on hospitals and their advertising. Significantly, direct mail is ranked second among advertising media preferred by hospitals.

Source: Journal of Hospital Marketing, A.H. Kizilbash & John S. Wagle, "Directions in Hospital Advertising," Vol. 1, Nos. 1/2, Fall/Winter 1986

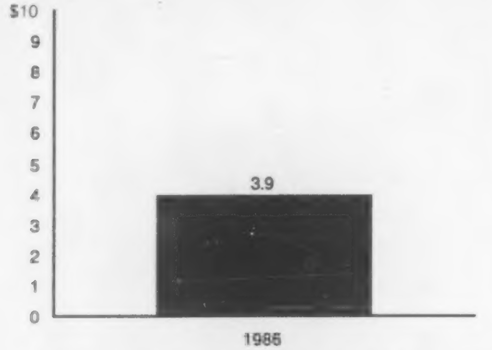
1986 MAIL ORDER SALES BY HEALTH PRODUCT SEGMENT

	SALES VOLUME (000,000)	% OF MARKET
DRUGS/VITAMINS	610	52
HEALTH PROGRAMS	240	20
SPECIAL EQUIPMENT & SPECIALTY CLOTHING	85	7
ADULT PRODUCTS	115	10
PHYSICAL FITNESS	50	4
HANDICAP AIDS	55	5
GENERAL	25	2
TOTAL	$1,180	100%

Source: Arnold Fishman, Marketing Logistics, 1986

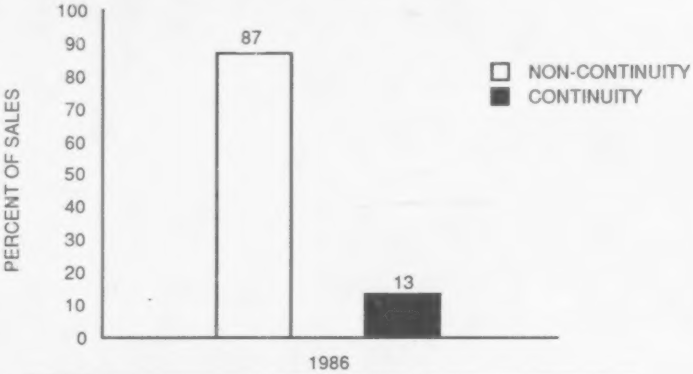
1986 AVERAGE SALES VOLUME OF MAIL ORDER HEALTH PRODUCTS COMPANIES

(IN MILLION $)



Source: Arnold Fishman, Marketing Logistics, 1986

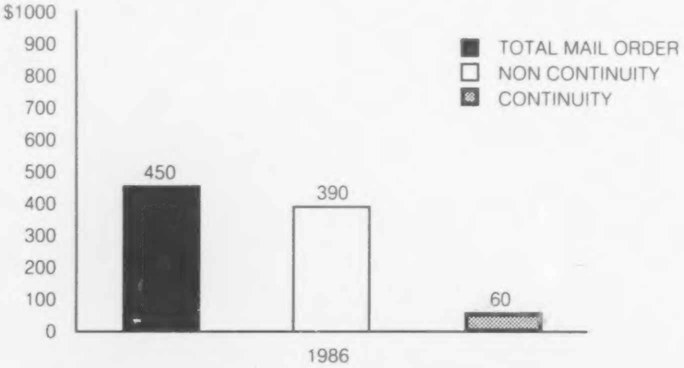
1986 PERCENT OF MAIL ORDER COSMETIC SALES



Source: Arnold Fishman, Marketing Logistics, 1986

1986 MAIL ORDER COSMETICS SALES BY TOTALS AND SUB-SEGMENT

(IN MILLION $)



Source: Arnold Fishman, Marketing Logistics, 1986

DIRECT RESPONSE MARKETS RESEARCH STUDIES

- **Kestnbaum & Company, CatalogScan, Fall 1983, 1984 & 1985**

Total Sample Size: 256 Catalogs
Research Method: Database Search

- **Money Magazine, Americans and Their Money, 1986**

Total Sample Size: 5,000 adults
Number of Respondents: 2,555 adults
Response rate: 51%
Research Method: Mail Survey

- **Magazine Publishers Association, A Study of Media Involvement, November 1986**

Sample Size 2,001 adults— men: 1,000
women: 1,001
Research Method: Telephone interviews

- **Simmons Market Research Bureau, Study of Consumer Purchasing Behavior, October 1984**

Sample Size: 19,000 adults
Research Method: Consumer Panel using diaries

- **Schlenker Research Services, Telemarketing Intelligence: The Current Use and Anticipated Growth of Telemarketing in American Business, June 1987**

A. In-House Operations Study sample size: 707 companies
B. Service Bureau Study sample size: 64 companies
C. Consumer Attitudes Study sample size: 600 consumers
Research Method: Telephone interviews

- **Ogilvy & Mather Direct, SRI, Direct Response Consumer Study, 1986**

Total Sample Size: 2,892 adults
Number of Respondents: 2,091 adults
Response rate: 72.2%
Research Method: Mail Survey

- **McGraw-Hill Research, Cost of an Industrial Sales Call, 1985**

Total Sample Size: 1,714 executives
Number of Respondents: 936 executives
Response Rate: 55%
Research Method: Mail Survey

- **McGraw-Hill Research, Survey of Advertising Expenditures, 1984**

Total Sample Size: 742 advertising managers
Number of Respondents: 462 ad managers
Response Rate: 62.1%
Research Method: Mail Survey

- **Ogilvy & Mather Direct, Study of Behavior & Attitudes of Executives in Regard to Business-to-Business Direct Response, October 1985**

Total Sample Size: 500 Executives
Research Method: Telephone interviews

- **DMA Research Department, Marketing Council, Management Survey of Current Direct Marketing Practices and Trends, August 1986**

Total Sample Size: 4,550 companies
Number of Respondents: 1,001 companies
Response Rate: 22%
Research Method: Mail Survey

- **Stephan Direct, Executive Reactions to Unsolicited Business Mail, June 1985**

Total Sample Size: 500 executives
Number of Respondents: 108 executives
Response Rate: 22%
Research Method: Mail Survey

- **Life Insurance Marketing Research Association, Buying Directly: The Consumer's Response, 1985**

Total Sample Size: 4,000 households
Number of Respondents: 1,800 households
Response Rate: 45%
Research Method: Mail Survey

- **SRI Research Center, Inc., A Financial Telemarketing Report Card, January 1987**

Total Sample Size: 280 adults
Research Method: Telephone interviews

- **Bank Marketing Association, Analysis of 1985 Bank Marketing Expenditures, 1986**

Total Sample Size: 9,334 banks
Number of Respondents: 1,106 banks
Response Rate: 12%
Research Method: Mail Survey

- **DMA Research Department, Circulation Council, 1986 Periodical Publications Survey, June 1987**

Total Sample Size: 1,535 publications
Number of Respondents: 279 publications
Response Rate: 18%
Research Method: Mail Survey

- **DMA Research Department, Circulation Council, 1984 Publications Survey, November 1985**

Total Sample Size: 246 publications
Number of Respondents: 103 publications
Response Rate: 42%
Research Method: Mail Survey

- **DMA Research Department, Circulation Council, 1982 Publications Survey, June 1983**

Total Sample Size: 306 publications
Number of Respondents: 81 publications
Response Rate: 25%
Research Method: Mail Survey

- **DMA Research Department, Direct Mail Donor Acquisition Survey for Art Organizations, June 1985**

Total Sample Size: 182 art organizations
Number of Respondents: 87 art organizations
Response Rate: 48%
Research Method: Mail Survey

- **Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, Direct Mail Marketing in Higher Education, Spring 1987**

Total Sample Size: 400 colleges/universities
Number of Respondents: 209 colleges/universities
Response Rate: 52%
Research Method: Mail Survey

- **Journal of Hospital Marketing, A.H. Kizilbash and John S. Wagle, Directions in Hospital Advertising, Fall/Winter 1986**

Total Sample Size: 225 hospitals
Number of Respondents: 97 hospitals
Response Rate: 43%
Research Method: Mail Survey

DIRECT MARKETING MANAGEMENT BASICS

165 CUSTOMER SERVICE

172 USPS INFORMATION

RETURN ON INVESTMENT BY CORPORATE COMPLAINT HANDLING UNITS

INDUSTRY	RETURN ON INVESTMENT
PACKAGE GOODS	15% – 75%
BANKING	50% – 170%
GAS UTILITIES	20% – 150%
CONSUMER DURABLE GOODS	100% +
ELECTRONIC PRODUCTS	50%
RETAILING	35% – 400%
AUTOMOTIVE SERVICE	100% +

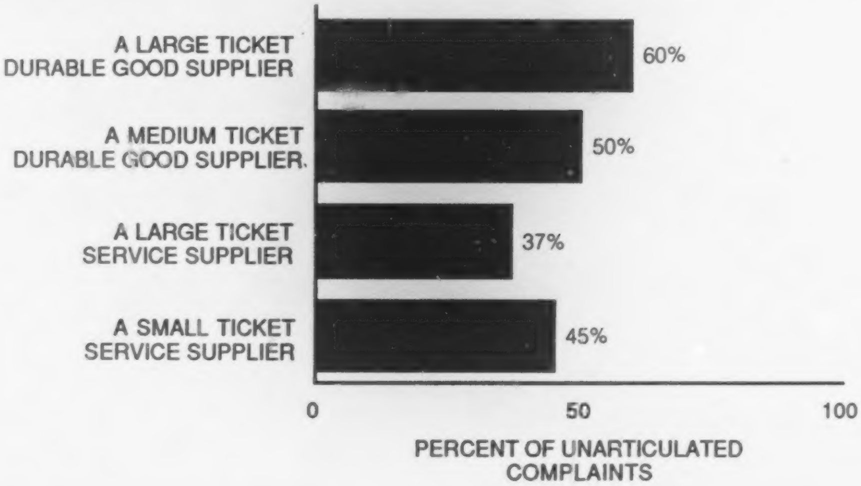
The profits earned by the corporate complaint handling department can be balanced against the invested capital required to support its operations.

The corporate complaint handling department can become a significant profit center. TARP (1980–1985) has found that corporate complaint handling departments have earned in excess of 100 percent return on investment (profits attributable to complaint handling divided by the cost of handling complaints). Such returns have been recorded in industries as diverse as banking, utilities, consumer durable goods, retail, and automotive service.

Source: Technical Assistance Research Programs study "Consumer Complaint Handling in America: An Update Study," 1986

MANY CONSUMERS DO NOT COMPLAIN

(PERCENTAGE OF CONSUMERS EXPERIENCING PROBLEMS WITH SELECTED PRODUCTS/ SERVICES WHO DID NOT COMPLAIN)



Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

ASSESSMENT OF EFFORT TO GET PROBLEM CORRECTED

ASSESSMENT	PERCENTAGE OF HOUSEHOLDS TAKING ACTION TO RESOLVE THEIR MOST SERIOUS PROBLEM*
I RECEIVED MORE THAN I ASKED FOR	1.1
I WAS COMPLETELY SATISFIED	21.4
I WAS NOT COMPLETELY SATISFIED, BUT THE SOLUTION WAS ACCEPTABLE	20.1
I WAS NOT COMPLETELY SATISFIED, BUT I DID GET SOMETHING	12.8
I WAS NOT AT ALL SATISFIED	41.1
OTHER (INCLUDING DON'T KNOW)	3.5

*N = 562 households which took action to resolve their most serious problem.
Citation: "National Consumer Survey"

Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

REASONS FOR NOT COMPLAINING

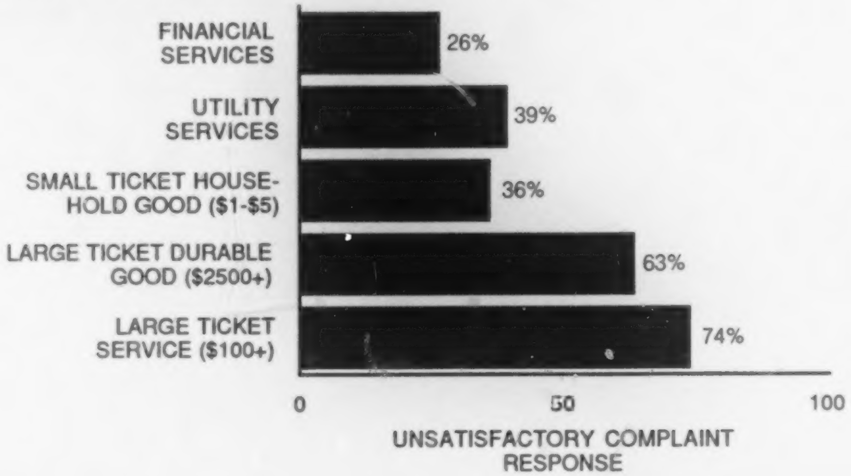
REASON FOR NOT COMPLAINING	PERCENTAGE OF HOUSEHOLDS TAKING NO ACTION*
WAS NOT WORTH THE TIME OR EFFORT	55.6
DID NOT KNOW WHERE TO GO, WHAT TO DO	13.5
DECIDED NO ONE WOULD BE CONCERNED ABOUT MY PROBLEM OR INTERESTED IN IT	21.1
OTHER	9.9

*N = 252 households which took no action to resolve their most serious problem.
Citation: "National Consumer Survey"

Source: Technical Assistance Research Programs study "Consumer Complaint Handling in America: An Update Study," 1986

MANY CONSUMERS ARE NOT HAPPY WITH BUSINESS' RESPONSE TO THEIR COMPLAINTS

(PERCENTAGE OF COMPLAINANTS REPORTING A LESS THAN ACCEPTABLE RESPONSE TO THEIR CONSUMER PROBLEM)

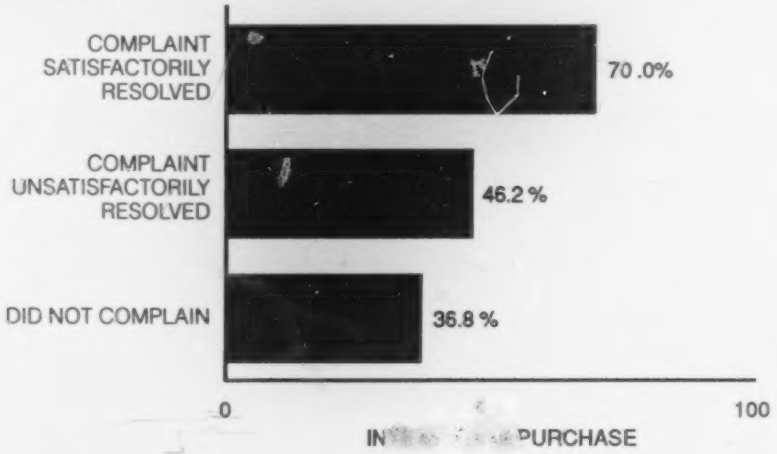


Many complainants are not satisfied with the action taken by business to resolve their problems.

Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

RELATIONSHIP BETWEEN COMPLAINING AND DECISION TO REPURCHASE THE OFFENDING PRODUCT OR SERVICE:

MOST SERIOUS CONSUMER PROBLEM RESULTING IN POTENTIAL FINANCIAL LOSS OF $1– $5

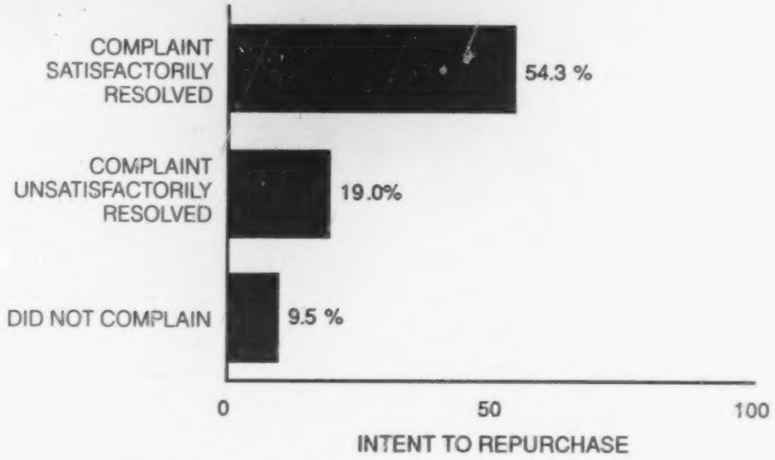


Citation: "National Consumer Survey"

Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

RELATIONSHIP BETWEEN COMPLAINING AND DECISION TO REPURCHASE THE OFFENDING PRODUCT OR SERVICE:

MOST SERIOUS CONSUMER PROBLEM RESULTING IN POTENTIAL FINANCIAL LOSS OF MORE THAN $100



Citation: "National Consumer Survey"

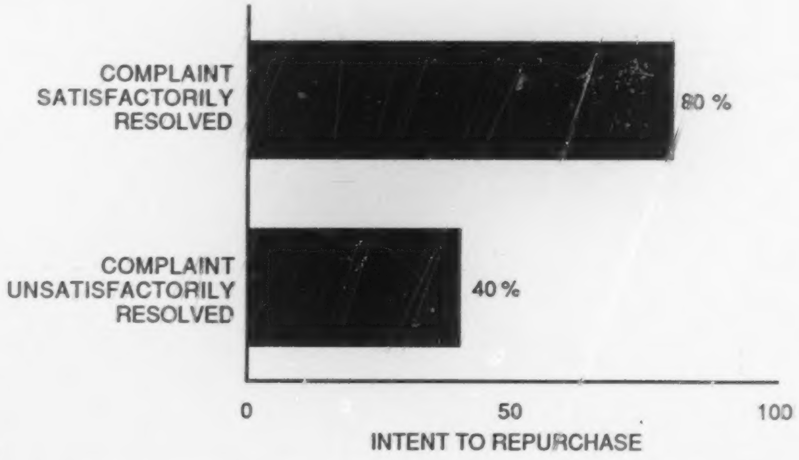
There is a strong relationship between problem severity and complainant satisfaction. The more severe the consumer problem, the lower the level of complainant satisfaction.

There is a strong relationship between complaining and brand loyalty.

Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

HOW MANY UNHAPPY CUSTOMERS WILL REMAIN BRAND LOYAL?

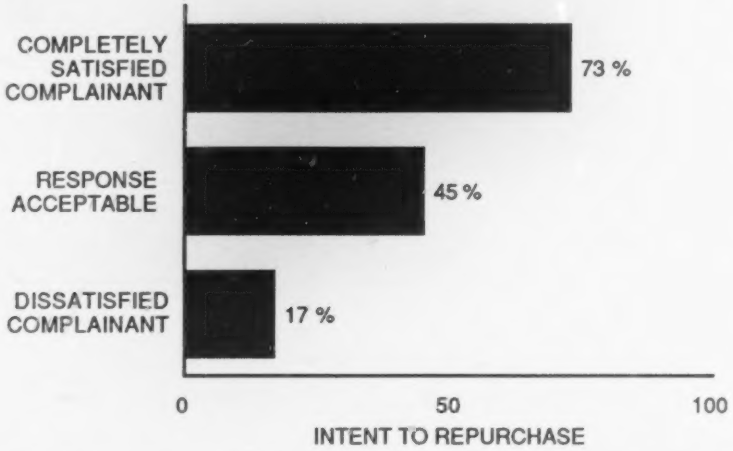
LARGE TICKET DURABLE GOOD



Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

HOW MANY UNHAPPY CUSTOMERS WILL REMAIN BRAND LOYAL?

FINANCIAL SERVICE



—Complainants reported higher brand loyalty than noncomplainants.
—Dissatisfied complainants reported higher brand loyalty than noncomplainants.
—Satisfied complainants reported higher brand loyalty than dissatisfied complainants.
There is a strong relationship between complainant satisfaction and product/service line loyalty.

There is a strong relationship between complainant satisfaction and word of mouth communications. Dissatisfied complainants tell twice as many people about their negative experiences as satisfied complainants tell about their positive interactions.

Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

TYPES AND FREQUENCY OF MAIL ORDER COMPLAINTS

DELIVERY—DELAY/DAMAGE	57.8%
CREDIT/BILLING	13.7
UNSATISFACTORY SERVICE*	11.8
FAILURE TO PROVIDE REFUNDS	10.9
SELLING PRACTICES	2.0
PRODUCT QUALITY/PERFORMANCE	1.7
ADVERTISING PRACTICES	1.1
GUARANTEE/WARRANTY	.6
UNSATISFACTORY REPAIR	.3
DISCONTINUED BUSINESS	.1

*Unrelated to repair

Source: Council of Better Business Bureaus, Inc., 1985

NUMBER OF DIRECT RESPONSE COMPLAINTS REPORTED IN 1985

The Council of Better Business Bureaus ranked "Ordered Products Sales" fourth in their Top 10 Company Report Requests for 1985. In both 1984 and 1983, direct response orders topped this list as the leading complaint generator.

ORDERED PRODUCT SALES	# OF COMPLAINTS	% OF TOTAL
VIA CATALOGS BY MAIL	40.759	18.72%
VIA TELEPHONE SOLICITATION	26.691	12.26%
MAGAZINE SUBSCRIPTIONS BY MAIL	24.794	11.38%
VIA NEWSPAPER/MAGAZINE ADV	23.041	10.58%
VIA BROADCAST ADVERTISING	7.591	3.49%
NOT ELSEWHERE CLASSIFIED	94.908	43.58%
TOTAL	217,784	100%

Source: Council of Better Business Bureaus, 1986

WHAT IS DISLIKED MOST ABOUT DIRECT MARKETING

	HOUSEHOLDS %
DISLIKE SOMETHING	83
DECEPTION	41
NOT THE QUALITY DESCRIBED IN THE OFFERING	23
MISLEADING/FAKE AD	15
SUBSTITUTION BEING MADE	7
LACK OF INFORMATION	32
UNSEEN MERCHANDISE	28
CAN'T JUDGE/SEE MERCHANDISE FIRST	20
HARD TO DETERMINE CORRECT SIZE/FIT	11
SERVICE	20
SLOW DELIVERY/DELAYS IN DELIVERY	16
INCONVENIENCE	16
ITEMS BACK-ORDERED/NOT IN STOCK	6
RETURNING MERCHANDISE	5
EXPENSE	7
SHIPPING	6
CHARGE TOO MUCH FOR SHIPPING/POSTAGE/HANDLING	4
MISCELLANEOUS	
SALES TECHNIQUES	5
DAMAGED MERCHANDISE/DAMAGED IN SHIPPING	3
DISLIKED NOTHING	1
DON'T KNOW/NO ANSWER	16

Source: Simmons Market Research Bureau, 1984
Doyle Dane Bernbach/New York

BUSINESS/GOVERNMENT RELATIONS IN AREAS OF COMPLAINT HANDLING
(SIGNIFICANT INCREASE FROM 1979 TO 1986)

AREAS OF COOPERATION	PERCENTAGE OF BUSINESSES COOPERATING WITH GOVERNMENT	
	1979 STUDY	1986 STUDY
COMPLAINT REFERRAL*	37.8	65.2
CONSUMER EDUCATION**	12.2	31.9
REPORTING REQUIREMENTS†	17.6	46.1
COMPLAINT HANDLING TECHNOLOGY††	14.9	33.9

* Respondents notified government agencies about how to refer complaints to their companies.

** Respondents participated in government-sponsored education programs designed to teach consumers how to complain if they experience problems with consumer products/services.

† Respondents submitted data to government agencies describing the type of complaints received.

†† Respondents exchanged data with government agencies regarding innovations to complaint handling technology and procedures.

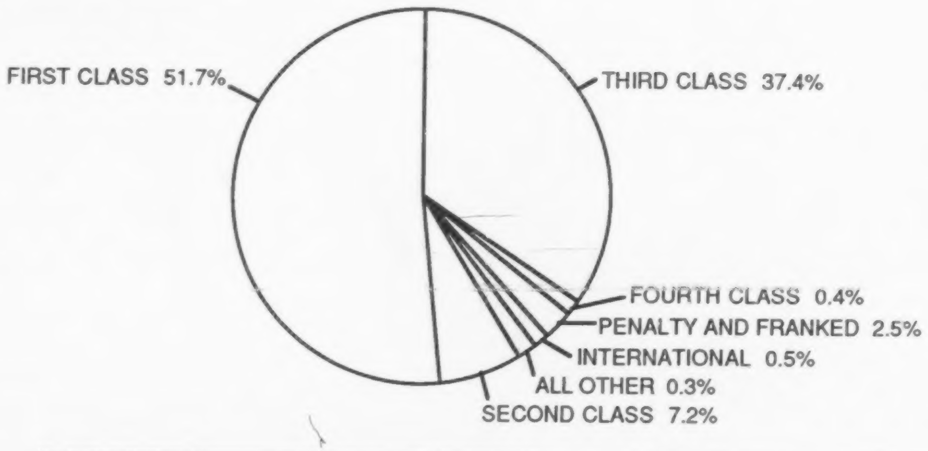
Source: Technical Assistance Research Programs Study "Consumer Complaint Handling in America: An Update Study," 1986

VOLUME OF MAIL
(IN BILLIONS)

MAIL CLASSIFICATION	1984	1985	1986	PERCENT CHANGE 1985–86
FIRST-CLASS	68.43	72.44	76.19	5.2
SECOND-CLASS	9.52	10.38	10.59	2.0
THIRD-CLASS	48.25	52.17	55.05	5.5
FOURTH-CLASS	0.60	0.58	0.60	4.6
PENALTY AND FRANKED	3.45	3.29	3.72	13.1
INTERNATIONAL	0.89	0.83	0.80	−4.0
ALL OTHER	0.40	0.41	0.41	.0
TOTAL MAIL	131.54	140.10	147.36	5.2

Source: Annual Report of the Postmaster General, USPS, 1986

COMPOSITON OF MAIL



Source: Annual Report of the Postmaster General, USPS, 1986

VOLUME OF THIRD CLASS MAIL 1984–1986
(POSTAL FISCAL YEARS: OCT. 1–SEPT. 30)

	1984	1985	84–85 % CHANGE	1986	85–86 % CHANGE
SINGLE PIECE RATE	178,316	168,355	−5.6%	155,158	−7.8%
BULK RATE					
BASIC	9,559,199	10,428,865	+9.1%	11,629,416	+11.5%
CARRIER ROUTE	21,391,900	23,407,236	+9.4%	24,173,638	+3.3%
5-DIGIT	6,747,731	7,189,668	+6.5%	8,203,177	+14.1%
REGULAR RATE TOTAL	37,698,830	41,025,769	+8.8%	44,006,231	+7.3%
TOTAL NON-PROFIT	10,371,568	10,976,133	+7.7%	10,887,557	−.8%
TOTAL THIRD CLASS	48,248,714	52,170,257	+8.1%	55,048,946	+5.5%

Source: "USPS Revenue, Pieces and Weight By Classes of Mail and Special Services for Fiscal Years 1984–6."

NUMBER OF PIECES OF MAIL ATTRIBUTED TO DIRECT MAIL
1977–1986 (POSTAL FISCAL YEAR—OCT. 1–SEPT. 30)
BASED ON DMA'S POSTAL VOLUME ESTIMATES AND U.S. POSTAL SERVICE REVENUE AND COST ANALYSIS REPORTS
(IN THOUSANDS)

	First Class D.Mail = 20%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1977	58,827,034 10,765,407	199,487 9,974	28,562 4,284	612,518 581,892	17,138,794 16,281,854	6,825,799 6,484,509	84,998 84,998	684,899 34,245	79,402,091	34,247,163

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 95%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1978	54,557,218 5,455,722	213,329 10,666	32,504 4,876	539,724 512,738	18,684,430 17,750,209	7,020,146 6,669,139	85,431 85,431	718,935 35,947	81,851,717	30,524,728

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog* D.Mail = 100%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1979	58,215,317 5,831,532	231,835 11,592	37,989 5,698	444,871 422,627	15,509,303 14,733,838	4,492,980 4,268,331	7,552,602 7,174,972	104,087 104,087	755,674 37,784	87,344,658	32,580,461
1980	58,993,087 5,899,309	252,864 12,643	39,452 5,918	410,959 390,411	14,583,864 13,854,671	6,999,788 6,649,799	8,068,948 7,665,500	116,434	733,832 36,692	90,199,228	34,514,743

	First Class D.Mail = 10%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1981	61,410,172 6,141,017	335,168 318,410	11,636,430 11,054,608	10,541,579 10,014,500	2,527,621 2,401,239	8,566,607 8,138,277	118,675 94,940	885,509 44,275	96,021,761	38,207,266

	First Class D.Mail = 7.5%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 2%	Total # Pieces	Total # D.Mail Volume Pieces
1982	62,200,212 4,665,016	203,350 198,183	8,791,167 8,351,609	13,742,551 13,055,423	4,918,628 4,672,697	9,063,627 8,610,446	156,154 124,923	927,541 18,551	100,003,230	39,691,848
1983	64,246,880 4,818,516	167,990 159,591	8,812,930 8,372,284	16,698,070 15,863,167	5,674,653 5,390,920	9,381,076 8,912,022	168,128 142,908	904,821 18,096	106,054,548	43,677,504
1984	68,428,570 5,132,143	178,316 169,400	9,559,199 9,081,239	21,391,900 20,322,305	6,747,731 6,410,344	10,371,568 9,852,990	194,760 165,546	894,840 17,897	117,766,884	51,151,864
1985	72,440,277 5,808,021	168,355 159,937	10,428,865 9,907,422	23,407,236 22,236,874	7,189,668 6,830,185	10,976,133 10,427,326	212,829 180,905	829,404 16,588	130,652,767	55,567,258
1986	76,186,648 5,713,999	155,158 147,400	11,629,416 11,047,945	24,173,638 22,964,956	8,203,177 7,793,018	10,887,557 10,343,179	249,221 211,838	797,727 15,955	132,282,542	58,238,290

Note Priority Mail and Mailgram figures are not reported in the most current years because the volume of dm pieces is not a substantial portion

*In 1981 the USPS discontinued reporting the catalog figure as a separate category Since then this figure has been included in the third class mail figures

Source Direct Marketing Association "USPS Revenue and Cost Analysis Report" 1986

DMA/DOUBLEDAY BULK THIRD-CLASS DELIVERY TEST
APRIL–JUNE, 1987

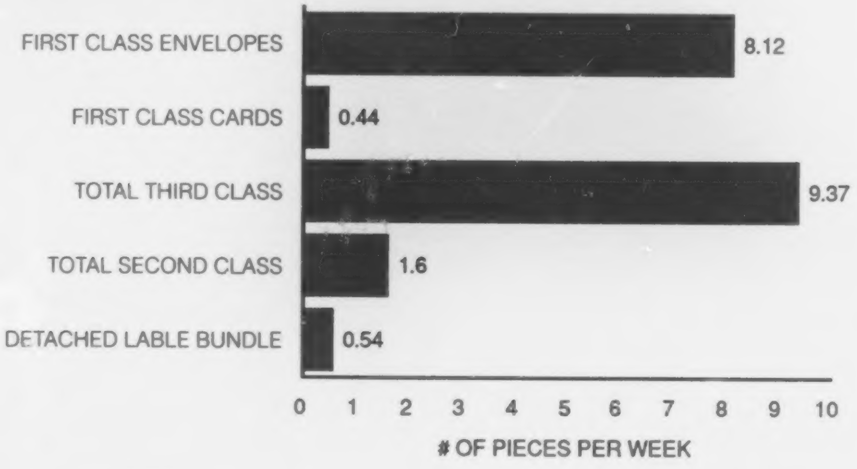
COMPARISON WITH 1981 AND 1983 TESTS
The DMA/Doubleday tests were conducted using the verified home addresses of DMA members who volunteered to report mail delivery results. The 1987 test also included active members of the Third Class Mail Association. Here is a comparison of the results:

	NONDELIVERY-PERCENTAGE		
TEST PIECE	1987 base = 1613	1983 base = 700	1981 base = 890
LITERARY GUILD FLAT ENDORSED, "FORWARDING AND RETURN POSTAGE GUARANTEED"	3.4%	3.1%	6.6%
LITERARY GUILD FLAT; NO FORWARDING OR RETURN ENDORSEMENT	5.0%	5.4%	8.4%
MERCHANDISE CATALOG			
FINGERHUT	14.1%	—	—
SPIEGEL	—	10.2%	—
DAV (NONPROFIT) LETTER-SIZE	8.1%	—	—
LUVS DIAPERS COUPON	—	18.9%	—

Source: DMA & Doubleday, 1987

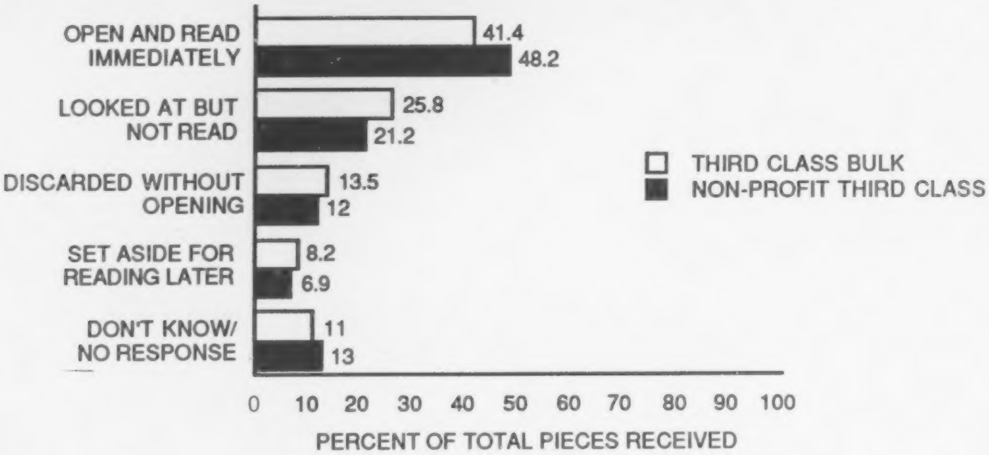
USPS Household Diary Reports: Since September 1986, the USPS has been studying the flow of mail received by a consumer panel of 2,497 households. The sample is stratified on a national basis and reports on mail received and subsequent household reactions to all classes and types. This is an ongoing study and results will be made available by DMA as they are released by the USPS.

HOUSEHOLD MAIL RECEIVED
AVERAGE NUMBER OF PIECES RECEIVED PER WEEK



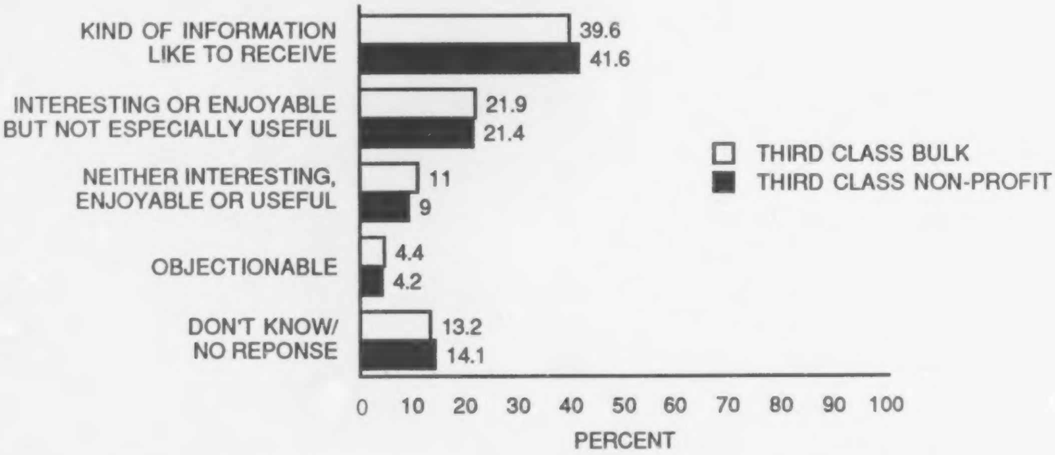
Source: USPS, Household Postal Diary, September–December 1986

READERSHIP OF BULK AND NON-PROFIT THIRD CLASS MAIL



Source: USPS, Household Postal Diary, September–December, 1986

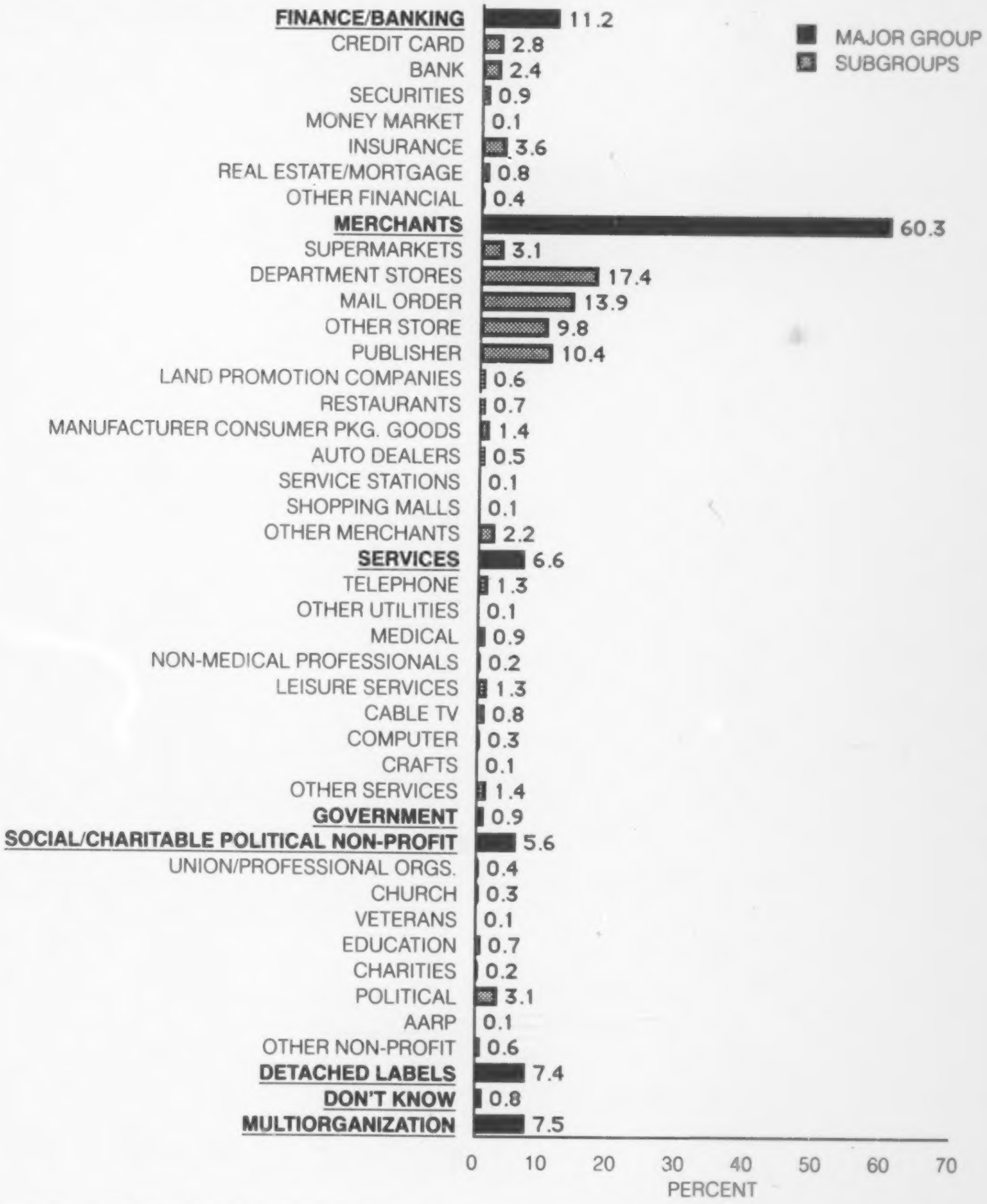
CONSUMER REACTION TO DIRECT MAIL



Source: USPS, Household Postal Diary, September–December, 1986

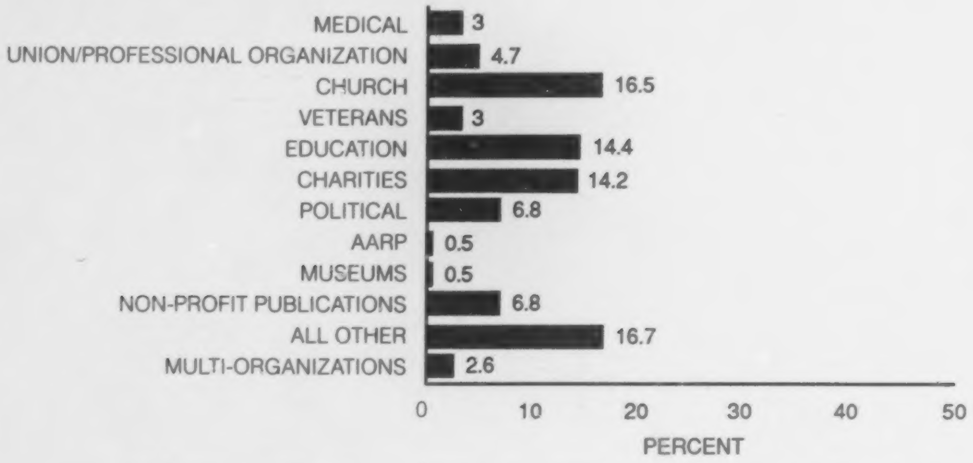
THIRD CLASS BULK MAIL BY INDUSTRY TYPE % OF TOTAL PIECES RECEIVED

Beginning in September 1986, the USPS contracted with a consumer research service to track mail received by households. The panel—a stratified national sample of 2,497 consumer households—maintains a diary recording mail received by class and sender.



Source: USPS, Household Postal Diary, Sept. 29, 1986–Dec. 21, 1986

NON-PROFIT MAIL VOLUME BY INDUSTRY
% OF TOTAL PIECES



Source: USPS, Household Postal Diary, September–December, 1986

BRIEF HISTORY OF SELECTED POSTAL RATES

3RD CLASS BULK (BEFORE PRESORT PROGRAM INITIATED)

YEAR	EFFECTIVE DATE*	REGULAR BULK MIN. PER PIECE	EFFECTIVE DATE	NON PROFIT MIN. PER PIECE
	1/1/59	2¢	1/1/59	1¢
1960	7/1/60	2.5¢	7/1/60	1.25¢
1961		2.5¢		1.25¢
1962		2.5¢		1.25¢
1963	1/7/63	2.625¢		1.25¢
1964	1/1/64	2.75¢		1.25¢
1965	1/1/65	2.875¢		1.25¢
1966		2.875¢		1.25¢
1967		2.875¢		1.25¢
1968	1/7/68	3.6¢	1/7/68	1.4¢
1969	7/1/69	3.8/4.0¢*	7/1/69	1.6¢
1970		3.8/4.0¢*		1.6¢
1971	5/16/71	4.04/4.2¢*	5/16/71	1.7¢
1972	3/12/72	5.0¢		1.7¢
	7/6/72	4.85/5.0¢*		
1973		4.8/5.0¢*		1.7¢
1974	3/2/74	6.1/6.3¢*	7/6/74	1.8¢
1975	12/31/75	7.7/7.9¢*		1.8¢
1976	7/6/76	7.7/7.9¢*	7/6/76	1.9¢
	7/18/76	7.5/7.7¢*	7/18/76	2.0¢
1977		7.5/7.7¢*	7/6/77	2.1¢
1978	5/29/78	8.4¢	5/29/78	2.4¢
			7/6/78	2.7¢
1979			7/6/79	3.1¢

* = 1st 250M pieces per year at initial figure

Source: Direct Marketing Association, 1987

3RD CLASS MIN. PER PIECE

(BY PRESORT CATEGORY BEGINNING 1979)

YEAR	BULK RATE REGULAR EFFECTIVE DATE	CARRIER ROUTE	FIVE DIGIT	ALL OTHER
1979		6.7¢	n/a	8.4¢
1981	3/22/81	6.4¢	8.8¢	10.4¢
1981	11/1/81	7.9¢	9.3¢	10.9¢
1983	5/22/83	7.4¢	9.3¢	11.0¢
1985		8.3¢	10.1¢	12.5¢
	NON-PROFIT			
1980	7/6/80	3.2¢	n/a	3.5¢
1981	7/6/81	1.9¢	2.9¢	3.8¢
1982	1/10/82	4.0¢	5.0¢	5.9¢
1982	7/24/82	3.0¢	4.0¢	4.9¢
1983	1/9/83	3.3¢	4.3¢	5.2¢
1985	2/17/85	3.4¢	4.9¢	6.0¢
1986	1/1/86	4.8¢	6.3¢	7.4¢
1986	3/9/86	5.7¢	7.2¢	8.7¢
1986	4/20/86	5.5¢	7.1¢	8.5¢

4TH CLASS PARCEL POST LOCAL (ZONES 1, 2, 3)

YEAR	EFFECTIVE DATE	PER PC.	PER LB. (1–5)	YEAR	EFFECTIVE DATE	PER LB. (UP TO 2 LBS.)
1960	2/1/60	20¢	+2¢	1970	11/14/70	60¢
1961		20¢	+2¢			
1962		20¢	+2¢			
1963	4/1/64	25¢	+2¢			
1964		25¢	+2¢	1974	3/2/74	61¢
1965	1/15/67	25¢	+2¢	1975	9/14/75	67¢
1966		25¢	+2¢ + 10¢		12/31/75	77¢
1967			to nearest 5 or 10¢			
1968	10/19/68	45¢	+2¢ –			
			to nearest 5¢	1978	5/29/78	$1.15
				1979		
				1980		
				1981	3/22/81	1.38
				1985	2/17/85	1.41

YEAR	1ST CLASS 1ST OZ.		YEAR	3RD CL. SINGLE PIECE 1ST 2 OZS.	
	EFFECTIVE DATE	PER PIECE		EFFECTIVE DATE	PER PIECE
1960	8/1/58	4¢	1960	8/1/58	3¢
1961		4¢	1961		3¢
1962		4¢	1962		3¢
1963	1/7/63	5¢	1963	1/7/63	4¢
1964		5¢	1964		4¢
1965		5¢	1965		4¢
1966		5¢	1966		4¢
1967		5¢	1967		4¢
1968	1/7/68	6¢	1968	1/7/68	6¢
1969		6¢	1969		6¢
1970		6¢	1970		6¢
1971	5/16/71	8¢	1971	5/16/71	8¢
1972		8¢	1972		8¢
1973		8¢	1973		8¢
1974	3/2/74	10¢	1974	3/2/74	10¢
1975	12/31/75	13¢	1975	12/31/75	13¢
1976		13¢	1976	7/18/76	14¢
1977		13¢	1977		14¢
1978	5/29/78	15¢	1978	5/29/78	20¢
1981	3/22/81	18¢	1981	3/22/81	18¢
1981	11/1/81	20¢	1981	11/1/81	20¢
1985	2/17/85	22¢	1985	2/17/85	22¢

Source: Compiled by Direct Marketing Association, Inc. 1987

SELECTED FOREIGN POSTAL RATES COMPARED WITH UNITED STATES RATE

COUNTRY	RATE FOR FIRST UNIT OF DOMESTIC LETTER POSTAGE (NATIONAL CURRENCY)		POSTAGE CONVERTED TO U.S. CENTS*
ITALY	600.00	Lira	46.7
GERMANY (FED. REP.)	.80	Mark	44.7
JAPAN	60.00	Yen	43.1
NORWAY	2.70	Krona	40.5
AUSTRIA	5.00	Shilling	40.0
NETHERLANDS	.75	Guilder	37.1
FRANCE	2.20	Franc	36.8
BELGIUM	13.00	B. Franc	35.0
SWITZERLAND	.50	S. Franc	34.0
SWEDEN	2.10	Krona	33.6
UNITED KINGDOM	.17	Pound	28.2
CANADA	.36	C$	26.9
AUSTRALIA	.36	A$	25.4
U.S.A.	.25	US$**	25.0

*Foreign exchange rates prevailing on April 27, 1987.
**Proposed level; Current Rate = 22.0¢.

Source: *The Washington Post*, April 28, 1987

R87-1
SUMMARY OF PROPOSED USPS RATE INCREASES BY PERCENTAGE INCREASE

In may 1987, the USPS submitted a proposal to the Postal Rate Commission to increase postal rates by the following amounts. The rate process takes approximately 10 months. Current rates should be in effect through March 1988.

CATEGORY	RATE INCREASE PROPOSED BY POSTAL SERVICE
FIRST CLASS:	
LETTERS (PERCENT)	15%
CARDS	14%
PRIORITY	7%
EXPRESS MAIL	(1)
SECOND CLASS:	
IN COUNTY (FULL RATES)	22%
OUTSIDE	
NONPROFIT (FULL RATES)	20%
CLASSROOM (FULL RATES)	21%
REGULAR RATE	14%
THIRD CLASS:	
SINGLE PIECE	12%
BULK RATE REGULAR	23%
BULK RATE NONPROFIT (FULL RATES)	4%
FOURTH CLASS:	
PARCEL POST	12%
BOUND PRINTED MATTER	21%
SPECIAL RATE	27%
LIBRARY RATE	13%
OVERALL INCREASE	16%

[1] Decrease.

Source: USPS, May 1987

R87-1

PRESENT AND PROPOSED RATES OF POSTAGE FOR POSTAL SERVICES USED BY DIRECT MARKETERS

FIRST CLASS MAIL

MAIL TYPE	POSTAGE RATE UNIT	CURRENT RATES REGULAR (CENTS)	CURRENT RATES PRESORTED (CENTS)[1]	PROPOSED RATES REGULAR (CENTS)	PROPOSED RATES PRESORTED (CENTS)[2]
LETTERS	1ST OUNCE	22	18/17	25	21.5/20
	EACH ADDITIONAL OUNCE[3]	17	17	20	20
CARDS	PIECE	14	12/11	16	14/12.5
ZIP+4 MAIL:[4]					
LETTERS	FIRST OUNCE	21.1	17.5	23	[4]20.7
	PRE-BAR CODE	....	....	....	20.2
	EACH ADDITIONAL OUNCE[3]	17	17	20	20
CARDS	PIECE	13.1	11.5	14.5	13.2
	PRE-BAR CODED	....	....	....	12.7
NONSTANDARD SURCHARGE[5]	....	10	10	10	10

[1] Presorted First-Class Mail must be presented in a single mailing of at least 500-pieces properly prepared and presorted. The 5-digit presort rate applies only to each piece of a group of ten or more pieces destined for the same 5-digit ZIP Code or each piece of a group of 50 or more pieces destined for the same 3-digit ZIP Code. The lower rate applies only to mail presorted to carrier route, with a minimum of 10 pieces per route. A mailing fee of $50 must be paid once each year at each office of mailing by any person who mails presorted First-Class Mail. [The fee for mailers allows usage of either or both of these rates.]

[2] Presorted First-Class Mail must be presented in a single mailing of at least 500 pieces properly prepared and presorted. The higher rate applies to mail presorted to ZIP Code and prepared as prescribed by the Postal Service. The lower rate applies only to mail presorted to carrier route, and prepared as prescribed by the Postal Service. A mailing fee must be paid once each year at each office of mailing by any person who mails presorted First-Class Mail. [The fee for mailers allows usage of either or both of these rates.]

[3] Rate applies through 12 ounces. Heavier pieces are subject to zone-rated priority mail rates.

[4] ZIP+4 mail must be properly prepared and submitted in a single mailing of at least 250 pieces, except where the presort minimum of 500 applies. ZIP+4 rates are not available for carrier route presort mail.

[5] Applies to the first ounce only. Not applicable to ZIP+4 mail.

Source: USPS, May 1987

THIRD CLASS SINGLE PIECE MAIL
(CHARGES FOR FIRST AND THIRD CLASS NON-BULK ARE SIMILAR)

	RATE CURRENT (CENTS)	RATE PROPOSED (CENTS)
SINGLE PIECE:		
ONE OUNCE	22	25
TWO OUNCES	39	45
THREE OUNCES	56	65
FOUR OUNCES	73	85
FIVE AND SIX OUNCES	88	100
EACH ADDITIONAL 2 OUNCES	10	10
NONSTANDARD SURCHARGE[1]	10	10
KEY AND IDENTIFICATION DEVICES:		
FIRST 2 OUNCES	62	85
EACH ADDITIONAL 2 OUNCES	34	47

[1] Applies only to pieces weighting 1 ounce or less.

Source: USPS, May 1987

THIRD CLASS REGULAR BULK MAIL

	RATE	
	CURRENT (CENTS)	PROPOSED (CENTS)
BULK RATE STRUCTURE:[1]		
PER POUND, REQUIRED PRESORTATION	38 plus 4.2 cents per piece	45 plus 6.4 cents per piece.
PER POUND, PRESORTED TO 5-DIGIT ZIP CODE	38 plus 1.8 cents per piece	45 plus 3.1 cents per piece.
PER POUND, PRESORTED TO CARRIER ROUTE	38.0	45.0.
MINIMUM PER PIECE, REQUIRED PRESORTATION	12.5	16.5.
MINIMUM PER PIECE, PRESORTED TO 5-DIGITS	10.1	13.2.
MINIMUM PER PIECE, PRESORTED TO CARRIER ROUTE	8.3	10.1.

[1] Currently, a fee of $50 must be paid once each calendar year for each bulk mailing permit. The proposed bulk fee is $60.

Source: USPS, May 1987

THIRD CLASS NON-PROFIT BULK MAIL

	FULL RATE	
	CURRENT (CENTS)	PROPOSED (CENTS)
NONPROFIT BULK RATE STRUCTURE:[1]		
PER POUND, REQUIRED PRESORTATION	21.9 plus 2.6 cents per piece	18.1 plus 3.5 cents per piece.
PER POUND, PRESORTED TO 5-DIGIT ZIP CODE	21.9 plus 1.5 cents per piece	18.1 plus 2.6 cents per piece.
PER POUND, PRESORTED TO CARRIER ROUTE	21.9	18.1
MINIMUM PER PIECE, REQUIRED PRESORTATION	7.4	8.0
MINIMUM PER PIECE, PRESORTED TO 5-DIGITS	6.3	7.1
MINIMUM PER PIECE, PRESORTED TO CARRIER ROUTE	4.8	4.5

[1] Currently, a fee of $50 must be paid once each calendar year for each bulk mailing permit. The proposed bulk fee is $60.

Source: USPS, May 1987

RATE SCHEDULE 400(B)(1)*

PARCEL POST—INTRA BMC/ASF SERVICE PROPOSED RATES (DOLLARS)

POSTAGE RATE UNITS (POUNDS)	RATE				
	ZONES				
	LOCAL	1&2	3	4	5
UP to 2	1.40	1.40	1.40	1.40	1.40
3–5	1.55	1.55	1.55	1.55	1.55
6–10	1.70	1.90	2.35	2.85	3.70
11–15	2.05	2.40	3.25	4.20	5.65
16–20	2.30	2.75	3.80	5.05	6.65
21–25	2.55	3.05	4.15	5.50	7.35
26–30	2.75	3.30	4.50	5.90	7.90
31–35	3.00	3.55	4.85	6.30	8.40
36–40	3.20	3.80	5.15	6.70	8.90
41–45	3.40	4.00	5.40	7.00	9.30
46–50	3.60	4.25	5.65	7.35	9.70
51–55	3.80	4.45	5.95	7.65	10.10
56–60	4.00	4.65	6.20	7.95	10.45
61–65	4.20	4.90	6.45	8.25	10.80
66–70	4.40	5.10	6.70	8.50	11.10

Source: USPS, May 1987

RATE SCHEDULE 400(B)(2)

PARCEL POST—INTER BMC/ASF SERVICE PROPOSED RATES (DOLLARS)

POSTAGE RATE UNITS (POUNDS)	RATE						
	ZONES						
	1&2	3	4	5	6	7	8
UP TO 2	2.05	2.05	2.05	2.05	2.05	2.05	2.05
3–5	2.75	2.75	2.75	2.75	2.75	2.75	2.75
6–10	2.80	2.95	3.05	3.90	4.70	6.20	8.40
11–15	2.90	3.45	4.40	5.85	7.30	10.10	14.10
16–20	2.95	4.00	5.25	6.85	8.50	11.95	16.45
21–25	3.25	4.35	5.70	7.55	9.40	13.15	18.35
26–30	3.50	4.70	6.10	8.10	10.10	14.15	19.75
31–35	3.75	5.05	6.50	8.60	10.80	15.10	20.75
36–40	4.00	5.35	6.90	9.10	11.30	15.75	21.85
41–45	4.20	5.60	7.20	9.50	11.80	16.45	22.80
46–50	4.45	5.85	7.55	9.90	12.25	17.05	23.60
51–55	4.65	6.15	7.85	10.30	12.70	17.65	24.40
56–60	4.85	6.40	8.15	10.65	13.15	18.20	25.10
61–65	5.10	6.65	8.45	11.00	13.55	18.70	25.75
66–70	5.30	6.90	8.70	11.30	13.90	19.20	26.40

For Nonmachinable Inter-BMC parcels, add $1.25.
*Proposed Rates Only.

Source: USPS, 1987

PRESENT AND PROPOSED FEES FOR POSTAL SERVICES USED BY DIRECT MARKETERS.

BUSINESS REPLY MAIL

DESCRIPTION	FEES (IN ADDITION TO POSTAGE)	
	CURRENT (CENTS)	PROPOSED (CENTS)
BUSINESS REPLY:[1]		
WITHOUT ADVANCE DEPOSIT ACCOUNT:		
REGULAR	7	9
DISCOUNT[2]	....	7
WITHOUT ADVANCE DEPOSIT ACCOUNT	23	40

[1] Rates are applied on a per-piece basis in addition to regular First-Class postage. Currently, a fee of $50 must be paid to each year for each business reply permit. The proposed fee is $60. An accounting charge of $160 must be paid once each year for each business reply advance deposit account. The proposed charge is $200.

[2] Currently there is no rate differential offered for pieces that are bar-coded, it is proposed that a 2¢ discount be offered for bar-coded pieces meeting certain ZIP + 4 and additional automated mail processing criteria.

Source: USPS, May 1987

ADDRESS CORRECTION

DESCRIPTION	FEE CURRENT	FEE PROPOSED
PER PIECE	$0.30	$0.30

ZIP CODING OF MAILING LISTS

DESCRIPTION	FEE CURRENT	FEE PROPOSED
PER 1,000 ADDRESSES	$36.00	$42.00

CORRECTION OF MAILING LIST

DESCRIPTION	FEE CURRENT	FEE PROPOSED
PER SUBMITTED ADDRESS	$0.15	$0.15

Source: USPS, May 1987

MAILING LIST SERVICES

	FEE CURRENT (CENTS)	FEE PROPOSED (CENTS)
CORRECTIONS ASSOCIATED WITH ARRANGEMENT OF ADDRESS CARDS IN SEQUENCE OF CARRIER DELIVERY:		
PER CORRECTION	15	15
When rural routes have been consolidated or changed to another post office, no charge will be made for correction if the list contains only names of persons residing on the route or routes involved		

Source: USPS, May 1987

COLLECT ON DELIVERY

AMOUNT TO BE COLLECTED OR INSURANCE COVERAGE DESIRED	FEES (IN ADDITION TO POSTAGE) CURRENT	FEES (IN ADDITION TO POSTAGE) PROPOSED
$ 0.01 TO $25	$1.50	$2.00
25.01 TO 50	1.80	2.50
50.01 TO 100	2.10	3.00
100.01 TO 200	2.40	3.40
200.01 TO 300	3.00	4.25
300.01 TO 400	3.70	5.25

CERTIFICATES OF MAILING

DESCRIPTION	FEES (IN ADDITION TO POSTAGE) CURRENT	FEES (IN ADDITION TO POSTAGE) PROPOSED
INDIVIDUAL PIECES:		
ORIGINAL CERTIFICATE OF MAILING FOR LISTED PIECES OF ALL CLASSES OF ORDINARY MAIL (PER PIECE)	$0.45	$0.45
THREE OR MORE PIECES INDIVIDUALLY LISTED IN A FIRM MAILING BOOK OR AN APPROVED CUSTOMER PROVIDED MANIFEST (PER PIECE)	.15	.15
EACH ADDITIONAL COPY OF ORIGINAL CERTIFICATE OF MAILING OR ORIGINAL MAILING RECEIPT FOR REGISTERED, INSURED, CERTIFIED AND C.O.D. MAIL (EACH COPY)	.45	.45
BULK PIECES:		
IDENTICAL PIECES OF FIRST- AND THIRD-CLASS MAIL PAID WITH ORDINARY STAMPS, PRECANCELED STAMPS, OR METER STAMPS ARE SUBJECT TO THE FOLLOWING FEES:		
UP TO 1,000 PIECES (1 CERTIFICATE FOR TOTAL NUMBER)	1.60	2.00
EACH ADDITIONAL 1,000 PIECES OR FRACTION	.20	.25
DUPLICATE COPY	.45	.45

Source: USPS, May 1987

FEES: MERCHANDISE RETURN

	FEES CURRENT (CENTS)	FEES PROPOSED (CENTS)
PER TRANSACTION	30	20
SHIPPERS MUST HAVE AN ADVANCE DEPOSIT ACCOUNT.		

RATE SCHEDULE 1000 FEES

	FEE CURRENT	FEE PROPOSED
FIRST-CLASS MAILING FEES:		
PRESORT FEE	$50	$60
MERCHANDISE RETURN:		
PER FACILITY RECEIVING MERCHANDISE RETURN LABELS	50	60

Soruce: USPS, May 1987

USPS EMPLOYEES/FACILITIES

TOTAL USPS EMPLOYEES	**1986**	**1985**	**1984**	**1983**	**1982**
HEADQUARTERS EMPLOYEES	3,037	3,077	3,012	2,993	2,893
FIELD REGULAR EMPLOYEES					
REGIONAL AND OTHER FIELD UNITS	4,988	6,536	6,524	6,441	6,339
INSPECTION SERVICE (FIELD)	4,237	4,370	4,510	4,655	4,977
POSTMASTERS	27,352	27,811	28,140	28,266	28,514
POST OFFICE SUPERVISORS AND TECHNICAL PERSONNEL	49,424	46,279	44,515	41,659	40,673
POST OFFICE CLERKS, MAIL HANDLERS AND NURSES	259,773	248,939	235,172	229,141	231,802
CITY DELIVERY CARRIERS AND VEHICLE DRIVERS	186,727	179,198	171,434	166,317	165,087
RURAL DELIVERY CARRIERS	35,938	35,206	34,679	34,438	33,987
SPECIAL DELIVERY MESSENGERS	1,824	1,832	1,790	1,815	1,843
BUILDING AND EQUIPMENT PERSONNEL	28,383	28,477	27,524	27,193	26,268
VEHICLE MAINTENANCE FACILITY PERSONNEL	4,346	4,218	4,119	4,023	4,034
TOTAL FULL-TIME EMPLOYEES	606,029	585,943	561,419	546,941	546,417
OTHER EMPLOYEES	147,870	130,055	116,585	109,459	105,510
RURAL CARRIER SUBSTITUTES	3,184	4,716	6,687	9,324	14,375
RURAL CARRIER RELIEFS	27,474	23,776	17,432	13,121	8,820
GRAND TOTAL	784,557	744,490	702,123	678,845	675,122

USPS OFFICES, STATIONS AND BRANCHES	**1986**	**1985**	**1984**	**1983**	**1982**
NUMBER OF POST OFFICES	29,344	29,557	29,750	29,990	30,155
NUMBER OF STATIONS AND BRANCHES					
CLASSIFIED STATIONS AND BRANCHES	4,240	4,224	4,184	4,160	4,129
CONTRACT STATIONS AND BRANCHES	3,965	3,856	3,744	3,626	3,508
COMMUNITY POST OFFICES	1,721	1,690	1,708	1,669	1,655
TOTAL	9,926	9,770	9,636	9,455	9,292
GRAND TOTAL	39,270	39,327	39,386	39,445	39,447

Source: Annual Report of the Postmaster General, USPS 1986

DIRECT MARKETING MANAGEMENT BASICS RESEARCH STUDIES

- **Simmons Market Research Bureau, Study of Consumer Purchasing Behavior, October 1984**

  Sample Size: 19,000 adults
  Research Method: Consumer Panel using diaries

- **Technical Assistance Research Programs Institute, Consumer Complaint Handling in America: An Update Study, 1986**

  This consists of analysis drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and TARP secondary research.

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